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POSTAL INSPECTION SERVICE

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HEARING

BEFORE THE

SUBCOMMITTEE ON POSTAL PERSONNEL AND MODERNIZATION

OF THE

COMMITTEE ON POST OFFICE AND CIVIL SERVICE HOUSE OF REPRESENTATIVES

NINETY-NINTH CONGRESS

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POSTAL INSPECTION SERVICE

THURSDAY, OCTOBER 17, 1985

HOUSE OF REPRESENTATIVES,
COMMITTEE ON POST OFFICE AND CIVIL SERVICE,
SUBCOMMITTEE ON POSTAL PERSONNEL AND MODERNIZATION,
Washington, DC.

The subcommittee met, pursuant to call, at 9:40 a.m., in room 311, Cannon House Office Building, Hon. Frank McCloskey (chairman of the subcommittee) presiding.

Mr. MCCLOSKEY. I think it is time to get started. I am Congressman Frank McCloskey, chairman of the Subcommittee on Postal Personnel and Modernization. I think for a good part of the hearing we will be joined also by Congressman Dymally.

Today, the Subcommittee on Postal Personnel and Modernization is holding an oversight hearing on the operations of the U.S. Postal Inspection Service. We will be hearing testimony from the Chief Postal Inspector, Mr. Charles Clauson, U.S. Attorney Joseph DiGenova, and several public witnesses. I would like to welcome all of you to the subcommittee today.

The Postal Inspection Service has been at the forefront of law enforcement efforts in the United States. Working closely with local police forces and Federal law enforcement agencies, the Inspection Service has built a reputation for effective crime prevention and detection, as well as active public service.

As many of you know, several significant policy changes have been implemented within the Inspection Service over the last decade. Changes instituted under former Chief Inspector Fletcher have been in place for several years, and it is now possible to begin looking back and analyzing their effectiveness in furthering the aims of the Inspection Service.

I am concerned that the new structure has resulted in a less effective Service overall. Case statistics for the past several years seem to show a steady and significant decline in the number of cases brought to U.S. attorneys and prosecuted.

Also, the kinds of cases that are actively pursued tend to be related to highly visible, urban types of postal crime. Furthermore, morale among Inspectors seems to be at an all-time low.

Beginning in the 1970's, the Inspection Service began to consolidate their operations by closing one-man domiciles and shifting personnel to metropolitan areas. At the same time, a new system for evaluating case priorities was instituted, where incoming cases were to be grouped according to three categories.

Category 1 cases, including organized gang operations, violent acts against postal facilities and personnel and large-scale fraud op-

erations were to be given top priority and allocated the most Inspection Service resources.

Directly following the development of the case handling priority system, the Inspection Service announced a new personnel policy known as Career Path. Under this policy, vacancies in major metropolitan areas, as classified by the Inspection Service, would be filled by the forced transfer of the most senior Inspectors. The stated objective of this policy was to fill difficult assignments with the most experienced people.

I am concerned with the effects of both the case handling priority system and the Career Path policy for several reasons. These policies seem to reflect a reorientation of Inspection Service resources away from rural areas toward more urban areas.

Not only were small domiciles closed, but what could be classified as "small town" types of postal crime were given much less consideration than "big city" crimes.

Furthermore, veteran inspectors were shifted into major metropolitan areas. All of these developments seem to reflect a conscious policy decision to pull Inspection Service resources out of this country's rural communities. I do not see how such a policy can be in the best interests of the American public as a whole.

I am also concerned with the impact these new policies may have had on the inspectors themselves. With the case priority system, inspectors lost some of the discretion they had previously exercised over the allocation of resources.

Inspectors in the field were more subject to direct oversight from headquarters in Washington. Several veteran inspectors have commented to me that this trend toward centralization has left them with less responsibility than they had as junior inspectors. This does not seem to reflect a very progressive attitude towards personnel management.

Also, veteran inspectors were hit extremely hard by the Career Path policy. In most organizations, veteran employees are given a certain consideration over younger, less experienced employees.

I realize that the Inspection Service, as a law enforcement agency, has special employment requirements. I also realize that inspectors are fully aware of the particular demands of the Service when they apply for employment.

Most of the inspectors targeted for forced transfer, however, had already moved many times in the interest of the Service. Then, when it appeared they had achieved a certain stability, had in effect "paid their dues," they were subject to a lengthy forced transfer to a major metropolitan area.

I think you will agree that older employees generally have greater family, financial, and community commitments than younger ones. An unexpected uprooting has a severe impact on these veteran employees.

Although inspectors were always aware that upward movement within the Inspection Service would entail mobility, they had been able to make their own choices regarding such moves prior to Career Path.

After Career Path, they were given the choice either to move or get out. As a former administrator, I cannot understand the ration-

ale behind treating veteran employees, people who have given many productive years to the Service, in this offhand manner.

As chairman of this subcommittee, I am concerned that the Postal Inspection Service continue to operate as a frontline law enforcement agency, providing a high level of service to the public in all areas of the country.

I believe this goal is explicitly tied to effective use of personnel resources and would like to see a serious reexamination of the Career Path policy which seems to have been so detrimental to morale. I would also urge the Chief Inspector to reexamine the current case priority policies.

I am aware that there has been at least one major change since Career Path was implemented. I would now like to welcome our first witness, Chief Postal Inspector Charles Clauson.

STATEMENT OF CHARLES CLAUSON, CHIEF POSTAL INSPECTOR, U.S. POSTAL SERVICE, ACCOMPANIED BY KENNETH HEARST, ASSISTANT CHIEF INSPECTOR FOR ADMINISTRATION

Mr. CLAUSON. Thank you, Mr. Chairman.

Good morning. I am Charles R. Clauson, Chief Postal Inspector, U.S. Postal Service. With me this morning is Assistant Chief Inspector for Administration, Kenneth Hearst.

I would like to summarize my written testimony, which I have previously submitted for the record, and focus particularly on the prioritization of cases and the Career Path policy.

First, I want to thank you for inviting me to testify on the operation and activities of the Postal Inspection Service.

Candidly, we are very proud of the service we provide to postal customers nationwide and the significant progress we have made in the management of our programs over the past several years.

We are also proud of the significant progress we have made in stemming postal-related crime, not measured by arrests, convictions, cases, or hours, but measured by the impact we have had on the actual occurrence of crimes against the Postal Service, its employees, and its customers.

In my written testimony, I cited Postal Service statistics which illustrate the immensity of our business and the complexity and scope of our responsibilities. Our law enforcement responsibility is really a composite of all law enforcement, as almost any kind of crime can be and has been committed against the Postal Service, its employees or through the mail, its customers.

The Inspection Service has investigative jurisdiction for 85 statutes ranging from obscene words written on the exterior of an envelope, to Cub Scouts placing fliers in mailboxes without postage, the mailing of dentures without a license, the vandalism of rural mailboxes, the theft of mail, the mailing of bombs, the robbery of postal employees, and the assault, rape, and even murder of our employees.

Obviously, we cannot and should not respond to all these offenses with the same intensity and the same priority. I think it goes without saying that every law enforcement agency must establish and follow priorities in its work.

The best way for me to illustrate what kinds of crimes we consider priority is to describe examples of the real work we are doing. While it might be effective for me to read case briefs on that subject, lest you consider those statements self-serving, I think it proper and enlightening for you to hear it from national and local media sources.

At this time, I would like to run a brief video tape.

[A tape was shown.]

Mr. CLAUSON. Overriding our enforcement efforts is a programmed approach to preventing crimes from occurring in the first place. Some examples:

Burglar alarms, warning signs, and high quality safes and vaults to prevent burglaries.

Holdup cameras, bulletproof screen lines, and employee educational programs to prevent robberies.

Aggressive employee awareness programs to inform postal employees of the risks involved in theft, use of narcotics, or assault.

And, a major consumer information effort to prevent consumers from becoming victims of mail fraud.

Our work to make facilities and vehicles burglary and robbery proof and our postal and public information programs are examples of these efforts.

Widely distributed information brochures, displayed on the board in front of you, and the broadcasting of public service information messages which receive widespread TV coverage, are examples of our prevention work.

Mr. MCCLOSKEY. Excuse me; we are having difficulty hearing you. Could you try to be a little louder?

Mr. CLAUSON. We recognize that we cannot prevent all crimes and have established a system of priorities which ensures that when postal-related crimes do occur, we respond aggressively first and foremost to high-impact crimes. This process, either formal or informal, occurs in every law enforcement agency in this country.

Citizens would be outraged if local law enforcement were out making minor burglary investigations while the abduction of a child went uninvestigated.

I would like to emphasize that this is one example from our list of priorities. It refers to external mail theft, theft of mail by nonpostal employees. The theft of mail by nonpostal employees involves primarily checks, although other things of value are stolen.

In this list of priorities, what we have done is break down the kind of occurrences that we encounter in theft of mail cases. In the first two, there is some organized activity to steal mail, either by gangs, fencing operations, multiple theft offenders, or recidivists.

Those receive the highest priority attention. The third category, and there have been many allegations that we no longer do work in this category—refers to the investigation of single, unrelated complaints. Those allegations, reported in several sources, are not true.

In 1984, we spent 50,000 hours nationwide working category three-type offenses. Prior to 1979, we spent a great deal more time working in category three. The reason for that was that we had no system of analysis to compare checks and to get at the people that were stealing large quantities of mail.

Also, prior to 1979, the measurement of effectiveness was the number of arrests. What that did was to encourage inspectors to work easy cases because easy arrests counted the same as hard arrests.

It also encouraged inspectors to become arrest and statistic collectors. We got so good at that, in 1977, that the Postal Inspection Service recorded 38 percent more convictions than the Federal Bureau of Investigation, in spite of the fact that they had approximately four times as many investigators as we had.

As we set out these priorities, we found that we didn't have people in the right places, that where the higher categories of offenses were occurring, we either had not enough inspectors or inexperienced inspectors.

The closing of the small one-man domiciles fits into the whole pattern. There is a part of the puzzle that has never been reported, and that is why those people were there in the first place.

For many years, our goal was to audit every Post Office every year, 30-some-thousand of them. Many of those offices are spread out through the rural areas of the country. That is the major reason that people were spread out as widely as they were.

That no longer is the up-to-date, state-of-the-art approach to auditing. We now do statistical sampling in conjunction with external auditing firm and do 300 post offices annually.

So, the closing of the small domiciles related partly to that, in addition to some of the prioritization and the adjusting of personnel to where crimes were actually occurring.

So, we realized that we had to have more experienced people where the serious crimes were occurring if we were going to respond to our overall responsibilities. The staffing and deployment policy adopted to accomplish this has become known as the Career Path policy. There is at least as much misinformation floating around on this policy as on the policy statements on external crimes.

I would like to take a few minutes to briefly go through a few points that will give you a flavor for what the Career Path policy entails. First of all, the Career Path policy, with limited exceptions when initially implemented, treats every single inspector exactly the same.

It says that sometime during your career, you are going to spend 5 years in a major metropolitan area—there are 14 of those. It provides predictability and a control over careers, it allows inspectors to have a great deal more choice in where they serve, where they go, when they leave there, and where they go when they leave.

Mr. McCLOSKEY. There has been a change in that policy since it was first implemented. I understand that now it is being applied only to people who came on after 1980. Would you talk about how that came about and if that is an improvement?

Mr. CLAUSON. Yes, sir, I will be glad to. At the time the policy was implemented, we felt it necessary to address a crisis situation in our major cities. One of the options that was available to us was to make everybody on the rolls at that time exempt. While we did consider that possibility, it was not realistic as it would not help us solve the problem we were facing.

Now some 5 years later, the level of experience in the major metropolitan cities is basically equal to the level of experience in the nonmajor metropolitan areas. We also had a very good effect, as I am going to show you, on the occurrence of crimes in the major metropolitan cities.

There is also ongoing litigation of some lawsuits brought by people who were originally transferred in the Service. We want to put that behind us.

With those three things in mind, in a recent review of what the situation is now as compared to 1980, we decided that anyone that was on board in 1980, at the time the policy was implemented, who has not yet served in a major metropolitan city, is exempt from the directed transfer portion of the policy.

Although there have been other accusations, this came about by our continuously looking at the policy and deciding what would be best for the Service and for its people.

Mr. MCCLOSKEY. At the time, under the previous policy, as first announced, don't you think it was rather difficult for many people who had served the better part of their years and had made numerous moves, to be told, if they have 6, 7 years to go, that they would be going to Chicago from Memphis or to Los Angeles from Nevada or wherever.

Mr. CLAUSON. Mr. Chairman, that is true. Those people were part of the solution to a very serious problem. Anyone within 5 years of retirement was exempted. That was the policy and a position that I can certainly appreciate was a tough one for those within 6 years and 7 years that you mentioned.

It also was a difficult position for the management of the Inspection Service to take at that time.

Mr. MCCLOSKEY. How many cities do you have designated as major metropolitan areas under Career Path?

Mr. CLAUSON. Fourteen.

Mr. MCCLOSKEY. What are your criteria as to what is a major metropolitan area? For example, I understand Atlanta and Dallas are not. Surely to most people they would seem major metropolitan.

Mr. CLAUSON. Surely. As you suggest, by any measure they are large and major cities. The criteria we used at the time were basically reduced to two elements. One was, do major crimes occur there? Both Atlanta and Dallas fit that category.

The second criterion, is it a place to which we have a hard time getting people to go? Is it a Cleveland, is it a Newark, a New York? Is it a Chicago, A Philadelphia? That became a judgment of Inspection Service management as to where we were having trouble getting people to go to voluntarily.

Atlanta and Dallas did not fall into that category and therefore we did not——

Mr. MCCLOSKEY. You are saying it is really a function of types of crimes and service desirability, rather than size or volume per se?

Mr. CLAUSON. Exactly. After 5 years in a major metropolitan city, inspectors are eligible to request transfer to an area of their choice depending, of course, on the occurrence of a vacancy.

Inspectors never had that option before. Once they arrive at that place, in all likelihood they will remain there, if they chose to, for

the rest of their careers and will have the protection of knowing that.

The policy—this is a very important point—was intended to provide a balance between the major metropolitan areas, other metropolitan areas, and more rural areas.

It was never intended to strip those areas of inspectors. However, the fact is that the more rural areas of the country had our experienced people working there. That grew out of personnel policies that were in effect prior to 1980.

Basically, you came in as a new inspector and were many times assigned to a major metropolitan city. You served 2 years there and were allowed to go to the place of your choice if a vacancy existed, and you paid your own way.

That was exactly the opposite direction that was necessary for us to be able to function. That policy led to a situation where our experience was in the rural areas.

So, it took 4 years for that experience level between those two areas to equalize. Balance finally occurred in 1984. The policy concentrates expertise where most difficult and demanding work is located.

To address another point that has been inaccurately reported in many places, it actually reduces the number of moves that an inspector should be required to make during his career.

When he goes to a major metropolitan city, if he likes it there—and many do, they find that Los Angeles is a nice place to live contrary to what some people say—then he has to make only that one move.

If he decides he does want to go back to Minneapolis, MN, after 5 years he can do that, so he has made two career moves. Many inspectors made five, six moves, and so forth before Career Path. It now involves fewer moves for the average inspector.

The policy resulted from the cumulative thinking of inspectors serving in management. Nobody concocted this thing in a short period of time on the back of an envelope. It was thought out, planned, and all Inspection Service management had input into what the policy entails.

One year after it was implemented, the Federal Bureau of Investigation implemented a policy which is virtually identical. It designates 12 instead of 14 cities, but their policy is virtually identical.

And something very important to us is that the vast majority of the inspectors currently on the rolls have made career decisions based on this policy.

Now, whether or not these policies have been effective, I suggest, is best determined by looking at what our impact has been on postal-related crime.

I would like a few more minutes to run hurriedly through some paragraphs on the occurrence of postal crime, not the number of arrests, but what is actually happening. In the area of post office burglaries, 921 in 1980, 691 in 1984. They are down 28 percent during a time when burglaries in the community are down 9.5 percent.

Our solution rate in burglaries went from 26 to 34 percent, while solution rates in the general community went from 15 to 14 per-

cent. We credit this to our strong prevention efforts and also aggressive investigation when burglaries do occur.

Obviously, when these kind of trends occur, the opportunity for arrests is reduced. I would like to come back here in 5 years, Mr. Chairman, and tell you that we have made no arrests for post office burglaries because the fact is we didn't have any post office burglaries last year.

In the area of post office robberies, an area that we consider very important because of the violence often associated with robberies, we experienced a decline during the period 1980 to 1985 of 22.5 percent, while robberies in the community went up 3.9 percent.

Our solution rate has gone from 49 to 58 percent, while the solution rate in the community has gone from 27 down to 26 percent.

We had 129 robberies in the Postal Service last year, with over 30-some-thousand facilities and over 700,000 employees, 176,000 of whom are on the street in every neighborhood every day. It might interest you to know that in Great Britain, they had 800 robberies last year of their postal service and in Italy, 10 percent of their facilities were robbed.

Applying that 10 percent figure to our numbers, that means 3,000 robberies of postal facilities. The area of physical assault is another very important area to us because of the exposure of our people who are carrying valuables on their back through the worst neighborhoods in this country daily.

They are very much exposed out there. We consider assaults on postal employees a very high priority crime. Since 1981, the number of assaults is down 19 percent.

In the area of mail theft, we have concentrated on volume mail thefts where people break into vehicles, break into collection boxes, or break into relay boxes and steal quantities of mail at one time.

This problem really reached a peak in 1982, when we had over 3,000 such break-ins. We responded to this through prevention efforts and a strong investigative response to those break-ins that did happen. They are down to around a thousand now.

That is still too many and we are going to try to eliminate them entirely. The record, I think, is clear.

In the most serious matter that we investigate, the homicide of postal employees, we have solved 52 out of the last 53 cases of homicide of postal employees. Some of those cases take a long time to work.

A postmaster in Ohio was the victim of a robbery, kidnapped, raped, and murdered. It took 17,000 hours to solve that case and 40 inspectors worked through holidays and solved a case that would never have, I suggest, been solved by local law enforcement because of the very rural area where it occurred.

To the extent that these kind of statistics are a deterrence to people attacking very exposed people on the streets, we think that is an important record.

I would be happy to answer any questions you have, Mr. Chairman.

[The statement of Mr. Clauson follows:]

TESTIMONY OF CHIEF POSTAL INSPECTOR
CHARLES R. CLAUSON
before the
House Subcommittee on
POSTAL PERSONNEL AND MODERNIZATION

Good morning. I am Charles R. Clauson, Chief Postal Inspector, United States Postal Service. With me this morning is Assistant Chief Inspector for Administration, Kenneth Hearst.

Although members of the Inspection Service frequently testify before Congress in matters of common concern, to the best of my knowledge, this is the first time we have been invited to testify before a Congressional Subcommittee for the purpose of overviewing Inspection Service activities. We really appreciate your giving us the opportunity to present our positions in an unbiased setting. Candidly, we are very proud of the service we provide to postal customers nationwide and the significant progress we have made in the management of our programs over the past several years.

The Inspection Service is the law enforcement, audit and security arm of the United States Postal Service. The Service has a long and distinguished history as a top rated Law Enforcement agency. In fact, the history of the Inspection Service parallels that of the United States itself.

It is difficult to assess and appreciate the work of the Inspection Service without considering it in light of the immensity of the United States Postal Service. Several statistics will illustrate:

The Postal Service employs over 700,000 people in some 40,000 facilities. Over 200,000 vehicles are in use and there are currently over 176,000 delivery routes. The Inspection Service covers offices throughout the United States and its territories in locations ranging from Pago Pago, Samoa, to Barrow, Alaska, to Santa Isabel, Puerto Rico. Last fiscal year the Postal Service handled over 134 billion pieces of mail and had a budget of over $26 billion dollars.

There are many more equally impressive statistics which I could have cited to express the environment in which we work, but I think these will serve to impress upon you, without overstatement, the size and scope of our responsibility.

As part of the the universal postal service provided by the United States Postal Service, it is the mission of the Inspection Service to protect the Postal Service, its employees and its customers from becoming victims of postal crime. In order to carry out that mission, we employ 4,701 people, of whom 1,884 are inspectors; 1,955 are Postal Police Officers, our uniformed plant protection force, and another 862 are our technical, professional and clerical employees.

A brief overview of our organizational structure is as follows: The Chief Inspector position is equivalent to a Senior Assistant Postmaster General and reports directly to the Postmaster General. Our field operations are divided into five geographic Regions with each Region headed by a Regional Chief Inspector who reports directly to me. Below

the Regions we have 39 geographic Divisions, each supervised by an Inspector in Charge, who reports directly to the Regional Chief Inspector. Our Headquarters organization is primarily a policy setting body with broad oversight responsibility to ensure that field units are in compliance with national policies.

Within this framework, we view the Inspection Service's responsibilities as falling into three broad categories and we focus our resources on these areas: Serving postal customers, protecting Postal Service assets and protecting postal employees and their work environment.

In serving postal customers, we believe that to a large extent, the value and reliability of the mail service depend on the degree of trust and confidence customers have in our ability to deliver their messages, secrets and valuables. I think many times that such trust and confidence are taken for granted, and I guess I derive satisfaction knowing that this is probably the best reflection on Inspection Service efforts over the years.

The protection of Postal Service assets is essential to ensure the stability of the system and our primary attention is given to preventing crimes against the Postal Service, but when such crimes do occur, to aggressively investigate them. Our audit function, which represents about 20% of our resources, is a major part of this effort and is designed to protect Postal Service assets through normal audit procedures

and to assist Postal Service management in providing service to postal customers in an efficient and effective manner.

Finally, we are responsible for protecting postal employees and their work environment from attacks from both external and internal sources. This is no easy task in view of the exposure our employees face during their day-to-day routine of providing financial services in thousands of post offices and serving over 176,000 delivery routes in every neighborhood in the United States.

Our law enforcement responsibilities fall into four broad areas, with the PREVENTION of crime being an integral part of each. Our primary attention is directed to the anticipation, recognition and appraisal of postal crime risks and the initiation of action to remove or reduce those risks. The offenses we investigate fall into four broad areas:

External Crimes include postal related offenses committed by non-postal employees and include postal robberies, mail theft, postal burglaries and assaults against and murder of postal employees.

Internal Crimes are those postal related offenses committed by postal employees. These generally relate to theft of mail, funds or postal property by employees but also include trafficking in narcotics by employees and false claims by employees such as fraudulent Office of Workers' Compensation Program injury benefit claims.

Our mail fraud program is designed to protect the American public from being victimized by fraudulent schemes where the use of the mail is an essential part of the scheme. Our enforcement efforts center on the powerful Mail Fraud Statute, one of the most effective consumer protection laws ever enacted by Congress for the protection of the American people. We accomplish our objective by using both an enlightened public information campaign and a vigorous and timely investigative effort. Congress has provided us with civil and criminal statutes for our mail fraud enforcement activities and we have a history of using them very effectively.

Our Prohibited Mailing enforcement programs are designed to prevent and investigate the unlawful mailing of certain types of printed pictorial and graphic matter and harmful articles, substances, and materials which, by law, cannot be placed into the mails. — Mail bombs and child pornography are examples.

Obviously, within each of these broad areas of enforcement responsibility, we give different levels of attention.

Overriding our enforcement efforts is a programmed approach to preventing crimes from occurring in the first place. Some examples:

- Burglary alarms, warning signs and high quality safes and vaults to prevent burglaries
- Hold-up cameras, bullet proof screen lines and employee

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educational programs to prevent robberies.

° Aggressive employee awareness programs to inform postal employees of the risks involved in theft, use of narcotics or asseult.

° And, a major consumer information effort to prevent consumers from becoming victims of mail fraud. (13)

The Inspection Service has investigative jurisdiction for eighty-five statutes ranging from vandalism of rural mail boxes or post offices, to the sale and use of narcotics by employees; to the mailing of adult and child pornography; to the mailing of bombs; the assault, rape or even murder of postal employees. The scope of our responsibilities is very broad in terms of both complexity and importance. Obviously, we cannot and should not respond to all of these offenses with the same intensity.

It probably goes without saying that EVERY law enforcement agency must establish priorities for its work. It would be ludicrous for your local police agency to be out directing traffic while ignoring armed robberies. Society itself recognizes that violations of laws have differing degrees of seriousness and impact as evidenced by the penalties attached to different offenses.

Consider, if you will, some of the offenses over which the Inspection Service has jurisdiction: The mailing of dentures without a license; dirty words written on the exterior of an envelope; the tearing open of a mail sack; Cub Scouts placing flyers in mail boxes without postage affixed; and the mailing of raffle tickets by churches and non-profit

organizations. Without prioritization, these offenses would assume the same importance as multiple mail thefts; attacks against postal employees; armed robberies; mail bombs and murders.

Surely it is apparent from this that prioritization of our work is a necessity and in fact receives our continuing attention. There may be room to argue with the priorities set but there can be no reasonable argument with the need to set them.

After priorities have been established, it is essential that an effective system to measure accomplishments be identified. This is necessary to ensure that resources are being focused on the higher priority work. But there is considerable danger in choosing measurement systems and in identifying what you want to measure. The fact is that your employees will strive to give you whatever you measure, so if you measure the wrong thing you may well encourage your people to work toward the wrong goal. It is possible that if you choose the wrong system you may find that you are actually measuring a means to an end and not any qualitative accomplishment. This is basically a problem of quantity versus quality.

Consider some of the systems of measurement we have tried to use in the past:

Arrests: Here, one arrest is just as good as another. Regardless of how easy or difficult an investigation may be or the impact the offense has, equal credit is given for each arrest and most effort goes to simple cases.

Cases: The more cases issued, the better. Never mind their complexity, impact on consumers, or their outcome, just issue cases and get the numbers up as high as you can. Again, most effort goes to simple cases.

Hours: The number of investigative hours devoted a particular type of offense is another quantitative measure we have used in the past. The number of hours per arrest or hours required to close a case are two examples of this type of measurement system. The result of this kind of focus is it prompts inspectors to concentrate on easy arrests or cases that take little time but generate a lot of numbers. This is exactly the problem we had with some of our earlier measurement systems.

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Using simple numbers is a very attractive system because it is easy and gives the illusion of exactness. But through painful experience we have found that such numbers are simply a means to an end and not the end itself. In fact, simple numerical goals such as arrests, cases and hours can actually conflict with the desired result and are subject to easy manipulation by individuals striving to achieve an artificial numerical goal.

Let me illustrate this point with an actual example. In the late 1960's the Postal Service was being plagued with post office burglaries. The inspectors assigned to the individual cases were solving many of them and

arresting many post office burglars. Using arrests as a measure of success in this situation we were doing pretty well. But Inspection Service management decided that it would be better if we could prevent the burglaries from occurring in the first place and set into motion a series of activities to that end. We upgraded the quality and quantity of burglar resistant security containers. We installed burglar alarms, burglar resistant doors and windows, dead bolt locks and signs warning burglars that post office burglary is a Federal offense. At the same time we began concentrating our investigative resources on burglary gangs that specialized in post office burglaries. The results? Arrests for postal burglary went down. So did the burglaries. By 64%. Had we continued just solving one burglary at a time and being satisfied with the number of arrests that were being made, no doubt we would still have a serious burglary problem. We don't, and the reason is we took a planned approach to stopping burglaries, not just arresting burglars. Obviously, had we continued to measure our success in this area by the number of arrests made, it would have actually been to our disadvantage to prevent burglaries, thereby cutting down on our opportunity to make arrests after the fact.

The ultimate measure of any law enforcement program is the impact it has on the occurrence of crime. Law enforcement would be most effective if it could prevent all crime. If it could protect people from becoming the victim of crimes in the first place. In recognition of this, the Inspection Service has made crime PREVENTION its highest priority.

Certainly we cannot prevent all crime. Recognizing this, when our prevention efforts do not succeed and crimes do occur, we focus our investigative resources most aggressively on those crimes which have the greatest impact on postal customers and the Postal Service. It is far more appropriate for us to concentrate on offenses which, as a federal law enforcement agency, we can be more effective in resolving than local law enforcement. Examples of offenses which are best handled by a federal agency are: interstate mail frauds, mail bombs sent from one jurisdiction into another and large interjurisdictional mail theft gangs. As a federal investigative agency we should and do concentrate on those offenses where there is not an effective local remedy.

This does not suggest, however, that we ignore other offenses under our jurisdiction, but it does state that our greatest efforts must go to resolving, either by prevention or investigation, those offenses having the greatest impact on the postal establishment and its customers.

The adoption of priorities by the Inspection Service was an evolutionary process and by 1979 we had begun the establishment of specific program priorities. As we did so we found some interesting but disturbing situations. Principally we found that we were not staffed properly to meet the priorities we established. We found that we could respond in force and intensity with highly experienced inspectors to reports of damaged mail boxes in rural areas but that we could not respond effectively to armed robberies in cities like New York, Chicago and Los Angeles. The junior mail fraud Inspector in the country was assigned in

a major city and had nearly 100 cases assigned to him, while the senior, most experienced fraud inspector was located in a small rural town. These were not exceptional instances either. It was the rule. The Inspection Service was simply unable to meet its investigative responsibilities in the very locations where the vast majority of its highest priority cases were occurring.

It will come as no surprise to anyone that the concentration of major crimes, the crimes we are obligated to give our priority attention, occur most frequently in our major cities like Los Angeles, New York, Chicago and Saint Louis. But, prior to 1979 our staffing policies actually encouraged the concentration of our most experienced inspectors in the smaller cities and rural areas. Usually our senior people were replaced with students directly out of our training academy where, on arrival, they were assigned the highest priority, most complex investigations the Service had.

Many of the rural locations where we maintained offices were actually a hold over from the days when Inspectors audited every post office every year. At that time most of the offices we audited were located in smaller cities and in rural areas. Since by the late 1970's we no longer were doing annual office inspections of every post office, there was no longer sufficient priority work in many locations to justify having an Inspector assigned there. This situation, not surprisingly, had a very negative impact on our ability to address major crimes where they were

occurring most frequently and prevented us from fulfilling some of our basic responsibilities.

As evidence of my point, a study was conducted in 1979 to determine just how responsive the New York office could be with the staffing conditions in existence at that time. The study revealed that many cases which would be of the very highest priority in many areas of the country were receiving little or no attention in New York. Assaults on postal employees were not being given sufficient attention. Incidents where treasury checks had been reported stolen from the mail were not even being reviewed to determine if they were related to major theft cases. Many armed robberies and burglaries were going unsolved due to the lack of experienced inspectors available to assign to the investigation. All of this was occurring at the same time when, in smaller offices, senior inspectors were expending investigative time and effort gathering and reporting arrests made by the local sheriff of children and teenagers responsible for damaging rural mail boxes. The staffing problems I have described were most serious and evident in New York City but they existed to one degree or another in every major metropolitan city in the United States.

To address this unacceptable situation we adopted a policy whereby we could achieve a balance of experience between the rural areas and the major metropolitan centers. This program has become known as the Career Path Policy. In designing Career Path, Inspection Service management tried to establish a policy which would meet the needs of the Service and

the majority of its employees. The major features of Career Path are as follows:

CAREER PATH:

- Treats every Inspector the same and is, therefore, neither arbitrary nor discriminatory.
- Requires every Inspector to spend five (5) years in a major metropolitan city sometime during their career.
- Gives Inspectors some predictability and control over their career in lieu of management directing both when and where they will serve.
- After serving five years in a Major Metro city each inspector may be granted a transfer to a city of choice where a vancncy exists.
- Provides a balance between large and small cities in terms of the level of experience of assigned Inspectors. (This balance was achieved in 1984).
- Concentrates needed expertise in areas where the most difficult and demanding work is located.
- Reduces the number of moves in the average career.
- Resulted from the cumulative thinking of Inspection Service management.
- Is almost identical to the one now followed by the Federal Bureau of Investigation.
- Since policy was implemented, the vast majority of Inspectors now in the service have based their career decisions on its provisions.

Career Path was a major, but necessary, departure from how things were done in the past and was not popular with all Inspectors. In order to correct the deficiencies created by the imbalances I've described, some Inspectors had to be relocated to places they considered undesirable. And, while each Inspector and his or her spouse sign a statement of understanding that they are subject to transfer in response to the needs

of the Service, the Career Path Policy has been challenged by a few Inspectors. All of these Inspectors understood the Career Path Policy and almost without exception they received directed transfers only because of their failure to exercise the options available to them. Inspectors within five years of retirement have always been exempt from directed transfer and recently, as the policy achieved its goals, an exemption was granted to all Inspectors who were in the Service in 1980 when the policy went into effect.

One option available to management at the time Career Path was implemented was to exempt all Inspectors and apply the policy only to newly appointed Inspectors. However, the problems that existed prior to implementation prevented our doing so. We had an urgent need to correct a serious imbalance in experience to enable us to respond to our basic investigative responsibilities. This imbalance was corrected only after four years of the Career Path Policy. The fact is, the Career Path policy works and works well. It has achieved exactly what was intended. Unfortunately a small, but vocal, minority with claims of personal hardship has badly distorted the purpose and impact of Career Path on the Service. The many and varied claims and motives of this special interest group should be examined very carefully and factually before any conclusions are drawn about either the Career Path Policy or the Inspection Service.

Let's take a moment to look at the effect our priority setting and staffing policy (Career Path) have had on the incidence of postal related

crimes. What is our record in preventing or reducing postal crimes in the past five years, 1980 to 1985? Note that my emphasis is on program results and not on the window dressing of arrests made, cases closed or hours used:

- Burglaries are down from 965 to 656. The high was 1,925 in 1967.

- Robberies are down from 190 in 1980 to 129 in 1985. Down from over 300 in 1976.

- Attacks on vehicles, collection and relay boxes are down from 3,069 in 1982 to 1,014 in 1985.

- Physical assaults against employees are down 24% from 1980 to 1985.

- In our most serious crime, murder of postal employees, we have solved 53 out of 54 homicides since 1973.

Frankly, we are proud of these results. The real measure of how well the Inspection Service is meeting its responsibilities is not to be found in a simplistic review of one or two statistics. The true measure is in the efficiency with which the Inspection Service meets its responsibilities. Is it safe to use the mails? Are postal employees being properly protected? Are postal customers being adequately protected from mail fraud

and pornography? Are postal funds and assets being properly protected. Our answer to all of these questions is a resounding "YES."

While you did not request any information on our Affirmative Action and Equal Employment Opportunity Programs, I know of your interest and I am happy to report our efforts and success in these important programs.

I would like to comment first on the minority representation in the Inspection Service and then to review the EEO complaint situation in the Service.

Over the years we have maintained an active recruitment program to attract qualified minority and female candidates to the Inspection Service. As you can see by the accompanying chart, we have done well in improving our posture in this regard over the years. Our Inspector representation of minorities mirrors or exceeds the civilian labor work force. For example, the civilian labor work force of black males is 5.1%. The inspector work force is comprised of 8.3% black males. In our Postal Career Executive Service, which compares to the Senior Executive Service, black males comprise 9.3%, with total minority representation of 15.3%. We also exceed other federal law enforcement agencies in representation by black Inspectors.

Turning your attention to EEO complaints, while we have had a number of age discrimination complaints in the past five years, those relate almost exclusively to our Career Path Policy. Those complaints are now in the

courts. Aside from the age discrimination complaints, we had five Inspector complaints of race discrimination in 1983 and five in 1984. In 1985 we have had three race discrimination complaints from Inspectors, two of which were from white males. In only one Inspection Service EEO case has a hearing examiner ruled that race discrimination by a local supervisor was involved.

CONCLUSION

The Postal Inspection Service plays a vital role in maintaining the basic foundation of trust and service upon which the Postal Service operates. We accomplish this by dedicating our resources first to the prevention of crime and then, when necessary, to the efficient use of our investigative resources. You should keep in mind that the policies we adopt to accomplish this are not, nor have they ever been, unilaterally made by the Chief Inspector. Policies are settled upon only after open discussion by the Inspection Service Executive Board, comprised of the five Regional Chief Inspectors, the three Assistant Chief Inspectors, and me. These senior managers base their decisions on many years of Inspection Service experience. Each of them has held progressively more demanding developmental positions in varied geographic areas. Their collective insight is what we rely upon in developing our programs. We are very proud of our success in accomplishing our mission and are satisfied with the results of our current programs.

Postal Inspection Service
WORKFORCE PROFILE

		CIVILIAN LABOR FORCE*	POSTAL INSPECTORS
WHITE	MALE	46.2%	82.1%
	FEMALE	35.0%	4.5%
BLACK	MALE	5.1%	8.3%
	FEMALE	5.0%	1.0%
HISPANIC	MALE	3.8%	2.9%
	FEMALE	2.4%	0.1%
ASIAN AMERICAN/ PACIFIC ISLANDER	MALE	1.0%	0.6%
	FEMALE	0.8%	0.2%
AMERICAN INDIAN/ ALASKA NATIVE	MALE	0.4%	0.3%
	FEMALE	0.3%	---
TOTAL		100.0%	100.0%

*LATEST STATISTICAL SOURCE
CIVILIAN LABOR FORCE 1982

Mr. McCLOSKEY. Formally and informally, I have so many questions, I really don't know if we can get it all done today. Perhaps we can schedule some further hearings and discussions, Mr. Clauson, including one or two around the country, particularly in areas that have not been beefed up recently.

But generally speaking, I am concerned that there are many smaller communities and entire States where law enforcement authorities will say the policies are disasterous and—we have those quotes—that there has been a diminishment in the Postal Service law enforcement capability and cooperation.

Could this have been handled in another way, by budgetary requests and projections? In other words, handled better for all communities? What kind of struggle is going on?

Mr. CLAUSON. Obviously, there are many options available for addressing problems of this nature. We have tried to put our people where the work occurs and in some places around the country that has resulted in whole, States not having a postal inspector domiciled there.

If I could just speak to one example. In the State of Wyoming, there are no postal inspectors domiciled. We do have a division headquarters at Denver, 93 miles from Cheyenne, and teams of inspectors do work the Cheyenne area.

There are many areas of the country that do not have a postal inspector within 93 miles of them that are not in another State. What I am saying is if State lines are critical, there are States that do not have inspectors domiciled there.

Mr. McCLOSKEY. How many States do not have inspectors?

Mr. CLAUSON. I believe there are six. But that does not mean we are not present there and don't work cases there. We have moved over the past few years from the single inspector case policy, where some inspectors literally work their case for their entire life only to find out the prosecutor died several years earlier, to teams of inspectors that work on cases and bring them to prosecutive authorities in a timely manner.

What that means is, getting back to my example in Cheyenne, if a case develops in Wyoming in all likelihood the inspectors are going to have to come up from Denver to work it anyway.

We have opened several new domiciles recently in response to the very thing you are talking about. We are constantly reviewing these things. We have opened Tucson, AZ, and Fresno, CA. We are in the process of opening Corpus Christi, TX; Savannah, GA; another one in Texas; and Bakersfield, CA. So we are constantly reviewing these and we are not always closing down offices.

Mr. McCLOSKEY. I can accept that you are performing to the best of the Service's ability with limited resources as far as you can evaluate and are constantly trying to improve that performance.

How about the question I did ask on budgetary requests to provide more staff everywhere? I know this is a time of diminishing expectations and real budget problems everywhere. You are aware of the Postal Service budget problem?

Mr. CLAUSON. Yes, sir.

Mr. McCLOSKEY. Could you answer that question?

Mr. CLAUSON. Yes.

Mr. McCLOSKEY. How do you feel about it and what does go on?

Mr. CLAUSON. I am sorry, I missed that. In the area of criminal investigation, from 1978 to our budget projections for 1986 there is a 15-percent increase in time and money devoted to criminal investigations by the Postal Service.

That is not reflected in the bottom line of the Inspection Service budget, because we have cut back, as I explained in the audit area. We are still able, however, to do the job effectively. The Postal Service has funded over that period of time a 15-percent increase.

I suspect that the head of any Federal agency would tell you that they probably could use unlimited funds. Somewhere in there the balance you speak of is made.

Mr. MCCLOSKEY. I think we are going to try that line of questioning again on another day or maybe we can give you some written statements. I am sure you are aware of the letter to Senator Sasser from the Department of Justice.

Mr. CLAUSON. Yes, sir.

Mr. MCCLOSKEY. The comments generally, as I have indicated, do not say that the Service is inadequate, but it would appear that there is not much in the way of improvement in most of the areas and there has been deterioration, at least according to the U.S. attorneys, in various areas. Perhaps the most damaging or critical statement comes from the northern district of Oklahoma, referring to the Career Path policy:

> The policy is a disaster. A major mail fraud case was missed in the district. Secret Service had to investigate thefts of checks from Postal Service vehicles and postal patrons.

I am sure you have the letter and are briefed and prepared for this. What do you say to these numerous Federal prosecutors who aren't from Washington, DC., or Los Angeles, or New York?

Evidently—we can check this out—they say there is a problem out there.

Mr. CLAUSON. At the time that survey was done, as you indicate, each of them in one way or another indicated a preference for more inspectors or a particular problem in their district. Some of those problems—I am thinking now of the middle district of Tennessee—grew out of Career Path transfers.

There were some places that experienced a negative impact in terms of the number of senior people that came from one particular small area. In the case of Nashville, TN, we lost experience because the system runs on seniority and a number of senior inspectors left that area.

We believe that we have corrected those situations, that we have made special provisions, for instance in Nashville, and put experienced people there. And that is not to say, I have attended the last two or three advisory councils of the U.S. attorneys and that is not to say that they all don't want more postal inspectors, including San Francisco and Los Angeles that you mentioned.

We try to respond to what the work is there and to what their priorities are. I might say, one of the most outspoken people there—was the U.S. attorney from Wyoming.

The last year we had a full-time investigator in the State of Wyoming was 1980. That inspector conducted 73 investigations that

year and presented two of them to the U.S. attorney for prosecution. He declined one and the other person got a $45 fine.

Obviously, U.S. attorneys like to have inspectors since they do good work and they are specialists in an area that some of the other agencies aren't specialists in.

Mr. McCLOSKEY. Mr. Clauson, what does this mean for theft of checks from Postal Service vehicles and postal patrons in reality, if there are no inspectors in an entire State?

Are you, in effect, writing it off by saying that in nearly all cases, except for multiple or conspiracy occurrences, you are not going to investigate? Are you saying the statement was wrong for the northern district of Oklahoma?

Mr. CLAUSON. I don't know the case he is talking about. We would investigate the theft of checks from vehicles even under current priorities with a great deal of intensity. If Tulsa is in that district, then there are inspectors in that district now.

Maybe at some point in time there weren't for a short period. No matter where that occurred, even if it occurred in Minot, ND, if we had break-ins or theft of checks we would be investigating.

The Secret Service also has jurisdiction over check thefts, that is the forgery part of it. So, we work closely with the Secret Service on cases of that nature and it comes as no surprise to me that they would have been involved.

It does come as a surprise to me that they would have been exclusively involved in investigating break-ins into a postal vehicle. That would be something that is a high priority for us.

Mr. McCLOSKEY. Now, you and I had discussed this a little bit before the meeting. Could you talk about how you interact with the FBI and what your jurisdiction is vis-a-vis the FBI in the event of murder of a Postal Service employee. I can understand the Service's pride and concern and loyalty to its employees; but for the record I would like to ask you to comment if, over the long run, the FBI should be handling these gross and tragic occurrences—such as murder—and if the Postal Service should be paying more attention to theft of social security checks which affect tens of thousands of people every year.

I am not really saying what your position should be, or even what mine would be, on further study. I think it is a very obvious question. I would like to hear about cooperation and jurisdiction with the FBI to determine if priorities should change in the long run.

Mr. CLAUSON. We work closely with all the Federal law enforcement agencies including the FBI. They have jurisdiction over murder of Federal employees, but our experience has been that when the Federal employee is a postal employee that we are usually the lead investigative agency in the case. I cannot produce a written statement of understanding or anything of that nature. That is the way it works in reality.

As far as them replacing us in the more severe cases, I guess that assumes that they could do a better job or that they would want to do it. I do not know if that is the case. I think our record on the worst cases is good, and I think that we have—this is no criticism of the FBI—an allegiance to the Postal Service stronger than theirs. We see the exposure of postal employees as a very seri-

ous situation. I think the Postal Service and its employees at least are better served by us doing it. That is in no way intended to reflect negatively on the FBI.

Concerning our ability to investigate Treasury checks, we spend a great deal of time investigating Treasury checks. The theft of Treasury checks from the mail is one of our major areas of investigation. There are .632 million Treasury checks issued each year. There are about 64,000 of them reported to us by the Treasury Department as being stolen from the mail.

That equates to about one one-hundredth of 1 percent. Sixty-four thousand is still a large number, even though it is only one one-hundredth of 1 percent. The cost of entirely eliminating that last one one-hundredth of 1 percent would be very, very significant because you do not know where it is going to occur.

You asked me earlier to mention the 60 Minutes program that was on Sunday night which related to a large mail theft problem that was occurring in the bay area in San Francisco, CA. That type of problem crops up from time to time. Situations develop, different kind of connections are made, and we lose a large number of Treasury checks. That particular kind of case is exactly the kind of case that our current policies have us address intensively. We have solved that case together with the Secret Service. Contrary to the information that was broadcast on 60 Minutes, there were not a half a dozen arrests made in the case. There were 24 arrests made around the world in Hong Kong, London, and the United States, with 8 more arrests pending. The people that Mike was referring to that alleged how easy it was to steal mail are either in jail awaiting trial or have been convicted. He was surprised at the openness on the inside of the San Francisco Post Office. A person has to understand that the volumes of mail are such——

Mr. McCLOSKEY. He might be surprised. I might say I was not surprised. Obviously people have to work in there and you cannot have a dog on every one. I was amazed really, sir, at the tenor of Mike Wallace's questions.

Mr. CLAUSON. You know the highest point of vulnerability is when the carrier leaves the post office with nonaccountable mail on his back. We give it the best protection we can, but it has got to be consistent with what the cost of the service is. The Treasury Department has the option of registering those checks to people every month at a cost of about $2 billion a year.

Mr. McCLOSKEY. I recall the figure. For the record, how many hours a year did you spend on investigation of category 3 offenses, including these check thefts?

Mr. CLAUSON. In 1984, it was slightly over 50,000 hours. It was category 2 which ran 197,000; category 1, 110,000.

Mr. McCLOSKEY. What percentage of category 3, I guess those are miscellaneous minor offenses were check thefts?

Mr. CLAUSON. The majority of them would be. I do not have that——

Mr. McCLOSKEY. Sixty percent?

Mr. CLAUSON. I think it would be more than that. I think a great majority of those cases would be checks or other valuables stolen from the mail, but checks primarily.

Mr. McCLOSKEY. You had 50,000 hours on category threes?

Mr. CLAUSON. Yes.

Mr. MCCLOSKEY. You say 64,000 Treasury checks were reported stolen, so what would be the total? Eighty or ninety thousand incidents reported?

Mr. CLAUSON. No, that's total. You mean checks and everything else?

Mr. MCCLOSKEY. Yes.

Mr. CLAUSON. I would be guessing. I can supply it since we have the information. There were 64,000 Treasury checks. The thing you have with Treasury checks is a defined universe. When the check comes back for duplication, then we find out about the problem you do not have with other kind of mail. We do not know what the universe is.

Mr. MCCLOSKEY. I am sure you have thought of this, and I had some ideas tossing around in my brain in my office last night. How many hours a year—how many full-time personnel hours if you break that down to full-time slots—do you have devoted yearly to category 3 offenses? Do you have an idea?

Mr. CLAUSON. It would be roughly 30 full-time positions.

Mr. MCCLOSKEY. That is what I thought, 25. It just astounds me, considering the length and breadth of the United States and our international operation, that you would have only the equivalent of 25 or 30 full-time people for all the category 3 offenses in America. That is half the number of patrolmen in the city of Bloomington, IN, a police department that I used to have jurisdiction over. You cannot tell me there is not real pain out there being experienced by all these people who cannot possibly be served as to these very significant thefts in their lives, 25 to 30 people for all category 3's in the Nation and the world. What are you going to do about this?

Mr. CLAUSON. One thing we have done about that is to expand the number of people who work the lower category of mail thefts for 1986 to the tune of about 26 more positions. I agree with you, 30 sounds like a very low figure. Those 30 positions are spread across many more inspectors than 30 so that service is provided over a much wider scope than what that member would indicate.

We are going to put 26 more positions in external mail thefts for next year. That is one thing we have done about it recently.

Mr. MCCLOSKEY. How are those suits going on the career path? Is there a feeling of settlement or is this going to be pushed to whatever the bloody end will be? You have made some changes.

Mr. CLAUSON. Yes, Mr. Chairman. The status, as I understand it, is that suits have been filed in two Federal courts, one in Florida and one here in the District. There are a total of 39 or 40 people represented in those lawsuits. The Florida lawsuit was filed several years ago and the conflict between that jurisdiction and the EEOC jurisdiction really leads us to where we are now. There is still no decision. We would like to resolve it as soon as we can.

We were contacted sometime in the fairly recent past shortly after the EEOC ruled they had jurisdiction but would not rule about the possibility of settlement.

We said that we would entertain any discussion of that nature but a proposal needed to be made. Such a proposal was made, but it was worse than any court decision could have possibly come out in our eyes.

Settlement in this case, in my personal opinion, would be difficult, but we are certainly willing to pursue it. Our ground rules would be that we could not seriously affect our ability to carry out our responsibilities. That would be in conflict with all these people leaving major metropolitan cities at the same time.

I suspect that one of the Federal district courts is going to have to give way to the other one soon. Discovery has already been started in one of them. We want to proceed as rapidly as we can to resolve this. I know the people involved do too.

Mr. McCLOSKEY. I understand that when Career Path was implemented people were told that they could apply for dispensation or waivers, in the event of hardship problems. I understand that no hardship dispensations are ever granted. Is this so? Could you comment on what that is all about? There are definite allegations being made, sir.

Mr. CLAUSON. There were a number of people, quite a few people, who had one kind of problem or another. Our position has been that if the inspector says that he is not mobile and cannot respond to the requirements of the position, then the Postal Service is a big organization. We are unlike some of the other Federal law enforcement agencies. We have many, many jobs, 700,000 of them. Only 1,800 of them require that people be mobile, only 1,800 require that they carry a gun, only 1,800 require that they maintain medical standards. When you cannot meet any of those, the opportunity is there to transfer into another job, something which literally hundreds of inspectors have done for reasons of their own for long periods of time. Two current Regional Postmasters General are former inspectors. A former Deputy Postmaster General is a former inspector. Not granting exceptions on its surface may seem unusually harsh, but I would like to just cover one case, a person that is going to testify here today, as to how that relates to the real——

Mr. McCLOSKEY. Can we go back for a minute, just try to be more specific. Were there any hardship dispensations or requests for waivers granted?

Mr. CLAUSON. There were many hardship requests made. There were none granted where the condition was that it permanently exempted them from the requirements of the position. There were transfers made where situations warranted and so forth. I will be able to come back to that. That has been portrayed in the press and by certain people as unusually harsh.

Take the case of former Inspector Arnold Bell, an inspector in Nashville, TN. He, by virtue of the Career Path policy, became eligible for transfer to New York City. He was concerned apparently about the condition and health of his wife. We have every reason to believe that this was a legitimate concern, that he not move any further from his home in Birmingham, AL. He came to the realization that he could not maintain his mobility, a requirement of being an inspector, and that he wanted to transfer to the Postal Service. The Postal Service then proceeded to find a job for Mr. Bell and on October 4, 1982, wrote him indicating that he could either be a manager in the Nashville, TN Post Office, which required no relocation at all; he could be Postmaster at Savannah, TN; he could be Postmaster at Bessemer, AL, which was close to the location of his wife's life support system, as he described it. He

could also be a manager in the Birmingham, AL Post Office or he could be a manager in the Atlanta, GA BMC. He chose the position of Postmaster at Bessemer, AL, and was appointed by the Postmaster General noncompetitively to that position.

That may seem unusually harsh to some people, but I would suggest that that is pretty decent treatment by an organization in terms of taking care of people that chose to switch jobs.

Mr. McCLOSKEY. I was aware of most of the details you mentioned on this ease. Is it not—I guess we may hear—is it not true that he had 5 years and 11 days to go when he got word of the proposed transfer to Chicago and, as I understand, not even his superior in Chicago was aware of the proposed move and need at the time. The law is the law. We all sign up and all that, but 5 years and 11 days—that is the kind of deal he got at the time although in the long run, obviously, he preferred Alabama to Chicago.

Mr. CLAUSON. Mr. Chairman, I believe you are confusing that with Mr. Lewis. That was his case. He had 11 days before he was exempt and we have exempted him from transfer to Chicago.

Mr. McCLOSKEY. I have got the cases mixed up.

Mr. CLAUSON. Yes, sir. I find myself doing that. Mr. Bell took no cut in pay when he took that job.

Mr. McCLOSKEY. I still make the point. How about that case where 11 days before his exemption, he gets hit with a transfer notice and not even the person who is to receive him knows of the need or the particular move.

Mr. CLAUSON. He has been exempted, Mr. Chairman.

Mr. McCLOSKEY. It did occur that way?

Mr. CLAUSON. We exempted him.

Mr. McCLOSKEY. It did occur that way at the time?

Mr. CLAUSON. He received a letter indicating he would be transferred. He was exempted after he received that letter but before he moved. He is still wherever he was, somewhere in Tennessee—Memphis.

Mr. McCLOSKEY. It basically did occur though, I guess.

Mr. CLAUSON. This addresses the exemption you brought up earlier, the current exemption. The system is such that when a person becomes eligible the computer puts him back on the list. If there is a vacancy that has not been filled by volunteer requests, the computer matches that person with the list. But, he was ultimately exempted and has not moved.

Mr. McCLOSKEY. I am told there is an inspector in the audience—I am not asking them to get up—from California who was on board before 1980 who is still being transferred under Career Path.

Mr. CLAUSON. He was on board before 1980 and he is being transferred?

Mr. McCLOSKEY. If he is here in the room, maybe he could formally or informally straigthen this out. He is being transferred and he was in before 1980.

Mr. CLAUSON. I am not fully familiar with this case. Apparently someone under the voluntary transfer portion of the policy requested a transfer to Los Angeles. After the time he submitted the request to go to Los Angeles and it was accepted. we made the change in the policy where people in the Service prior to 1980 were exempt. I have not seen any letter either from him or anybody

else. In an organization with 1,800 people, I suppose that could happen. He has apparently been accepted to go to Los Angeles based on his voluntary letter, but he had not actually physically moved yet and is still in San Diego.

Mr. MCCLOSKEY. His name is Mr. Hofius and if you would pay some attention to his case and do justice, whatever justice is under your previous representation, sir, I would appreciate that.

Mr. CLAUSON. Certainly.

Mr. MCCLOSKEY. Getting back for a moment to the 60 Minutes session the other night. Parts of this are not your major responsibility or jurisdiction, but you recall the statements from the Treasury official that it would cost too much money to spell out the amount, even with all the altering that is being done by professional counterfeiters on the numbers.

Mr. CLAUSON. Yes, sir.

Mr. MCCLOSKEY. It would seem there could be a lot of major swindling in larger amounts avoided if the Treasury were to open itself up to such a policy. It would be hard for me to believe that such a simple change would really involve tens of millions of dollars and I think that was one area where Mike Wallace and Company had a point.

Mr. CLAUSON. It would be difficult for me to speak to that. I do not know what it would cost. I know the volume of Treasury checks is staggering, 630 million a year. They do plan, I believe, to make a change in the makeup of the check this year which will make it harder to tamper with or alter them. We are having similar problems with postal money orders and we are now in the process of buying new imprinters and new money orders. Even with money orders which are not as numerous as Treasury checks, the costs are surprising.

Mr. MCCLOSKEY. We thank you very much for your comments and testimony, Mr. Clauson. I would just say I am fairly new to this area, but I really do think there is a sincere concern out there, which I share, for the concerns of the smaller and rural and even larger communities that do not happen to be metropolitan areas, as you admit. We are dealing with entire States here; and when we have 25 to 30 people assigned full time, who are in effect the entire service for all category 3, it is almost mind-boggling. I think common sense cries for a greater dedication in that area, so I would appreciate your reflection on that and maybe in a month or two we can get together and try to help each other.

Mr. CLAUSON. Certainly, Mr. Chairman.

Mr. MCCLOSKEY. I thank you very much for being here today. I enjoyed it.

[The following response to written questions was received for the record:]

U.S. House of Representatives
COMMITTEE ON POST OFFICE AND CIVIL SERVICE
SUBCOMMITTEE ON POSTAL PERSONNEL AND MODERNIZATION
603 HOUSE OFFICE BUILDING ANNEX 1
Washington, DC 20515
TELEPHONE (202) 226-7520

October 30, 1985

Mr. Charles Clauson
Chief Postal Inspector
U.S. Postal Service
475 L'Enfant Plaza, S.W.
Washington, D.C. 20260-3500

Dear Mr. Clauson:

As I stated at the hearing held by the Subcommittee on Postal Personnel and Modernization on October 17, I have some additional questions about the issues discussed there which I would like to follow up on at this time. I would appreciate your responding to the following concerns:

1) I would like to know exactly how many Inspectors are currently serving in each state. Please break down the numbers to as local a level as possible. For those states that do not have a resident Inspector, please indicate the domicile from which they are served.

2) I would be interested in obtaining the number of cases handled by the Inspection Service annually in each investigative category. A breakdown by geographic area would be most helpful.

3) I am concerned by information I have received relating to the workload at the New York City domicile. This area was classified as one with a pressing personnel shortage and work overload. As I understand it, filling the New York City personnel slots was a prime factor in the initial implementation of the Career Path Policy. Testimony received at the October 17 hearing, however, directly contradicted this rationale. Witnesses stated that the workload at the New York office was lower than that which they had been experiencing in their previous assignments -- significantly lower.

   In light of this testimony, I would like to know why the Inspection Service believed it was necessary to forcibly transfer so many people to the New York area under the Career Path Policy.

4) Another reason given for transfering veteran Inspectors to major metropolitan areas under Career Path was to provide these areas with the benefit of their expertise. In many instances, however, Inspectors were assigned to areas outside of their particular specialty. I do not understand how assigning someone with an audit specialty, for example, to external crime in New York City makes the best use of Inspection Service expertise. Also, I am concerned that with veteran Inspectors leaving the more rural areas, junior Inspectors assigned to these areas will not receive proper training.

Why were Inspectors transferred to major metropolitan areas on the basis of their seniority and experience and then assigned to areas outside of their particular speciality?

What kind of training is provided for junior Inspectors when veteran Inspectors are no longer in the rural domiciles?

5) Inspectors now entering the Service are fully aware of the requirements of the Career Path Policy and plan their careers accordingly. Presumably, younger Inspectors request assignment to one of the designated Major Metropolitan areas early in their careers, before incurring significant family, community and financial commitments.

As you know, many veteran Inspectors who came into the Service with a different understanding of the mobility requirements were adversely affected by the Career path policy and have filed an EEO claim which is now being considered in Federal court. This suit has been around for five years and has not been addressed in any substantive fashion by the Inspection Service. I believe the damage done to Inspection Service image and morale, as well as consideration for those veteran Inspectors who have been hurt by Career Path, warrant a settling of this suit.

Please advise me of the current standing of this suit and the intentions of the Inspection Service with regard to arriving at a settlement.

6) I know that Inspectors have to fill out forms at the end of each month (512-A forms) documenting their case hours. Before consolidation, there was a special category for "en route" hours -- the time an Inspector spent traveling to investigate a case. Now, with Inspectors farther removed from many of the areas they service, it can be presumed that "en route" hours are greater. This category, however, has been removed from the 512-A form. All hours are regarded as "case time". I am concerned that this new practice means rural areas are given more service on paper than in reality.

   Can you comment on the reasons for this change in policy?

7) As you know, I am quite concerned about the lack of Inspection Service resources devoted to investigating cases that fall under Category Three. In fact, it has been alleged that Inspectors in the field have been told to ignore Category Three cases.

   Can you comment on these allegations?

8) You mentioned a plan to provide more resources for investigation of these types of cases in the next fiscal year. Can you elaborate on this plan?

   Is it possible that Category Three cases could be given proper attention if more staff were added?

   Given the current budget constraints, what is the possibility that more people will be recruited for the Inspection Service?

Thank you for your time and consideration in addressing the above concerns.

Sincerely,

Frank McCloskey
Chairman

FM/cad

57-356 O—86——4

CHIEF POSTAL INSPECTOR
Washington, DC 20260-2100

DEC 3 5 1985

December 3, 1985

Mr. Frank McCloskey
Chairman
U.S. House of Representatives
Committee on Post Office and Civil Service
Subcommittee on Postal Personnel and
Modernization
603 House Office Building, Annex 1
Washington, DC 20515

Dear Congressman McCloskey:

This is in response to your letter of October 30, 1985, and the additional questions raised concerning the management of the Inspection Service. I have prepared responses to correspond to your numbered questions.

1. Enclosed is a list of all states and the District of Columbia and Puerto Rico, indicating the number of Postal Inspectors assigned. Six states (Kansas, Montana, North Dakota, South Dakota, Vermont, Wyoming) do not have a resident Inspector; however, these states receive coverage from nearby Inspectors. Kansas is covered from our Kansas City Division; North and South Dakota are covered from the St. Paul Division; Vermont is covered from our Manchester, NH, Domicile; Wyoming is covered from the Denver Division; and Montana is covered from our Spokane Domicile. In some circumstances, depending on the complexity and type of investigation, management will assign additional Inspectors to participate in investigations in these states.

2. Also enclosed is a listing of our FY 1985 investigative and audit cases, broken down by category and the Division where assigned. Our case jacketing (assignment) system is set up to reflect the Division where jacketed. For example, an investigation in Vermont would show as a case jacketed to the Boston Division, although the investigation would be conducted by Inspectors in Manchester, NH.

3. Surveys conducted in the late 1970s in New York indicated there were not enough sufficiently experienced Inspectors to handle the large number of complex major investigations. This resulted in inadequate numbers of relatively inexperienced Inspectors trying to respond to major crimes. Similar situations were not uncommon in other major cities such as Los Angeles and Chicago.

   At the same time, we had highly experienced Inspectors involved in much less complex work in other parts of the country. The Career Path Policy was nothing more than an attempt to reach balance in experience levels in major cities and more rural areas. Last year that balance was finally achieved.

   In spite of the testimony by three Inspectors at the October 17 hearing, our careful and continuous analysis of the workload in major cities and more rural areas indicates the workload and priorities are more balanced now than at any time in Inspection Service history. Your letter indicates that "many" people were forcibly transferred to New York. In fact, only 50 Inspectors received directed transfers over the past five years.

4. Traditionally, Postal Inspectors have been developed into generalists without undue concern for their specialty areas. Our approach is to provide Inspectors with a broad base of training and experience so they can respond to any area of our work as the need arises. We regard our Inspectors as Postal Inspectors and not as Fraud Inspectors or Audit Inspectors. We have found that with their broad experience and background, Inspectors can perform well in any area with the minimum of transitional fall-off. Most Inspectors serve in more than one functional assignment during their careers.

   As to the concern for training provided to new Inspectors, we feel we have a better system of development now than in the past. In the past, junior Inspectors assigned to major cities were sometimes lost in the shuffle or put in work situations which were beyond their capability. This had negative affects, not just on our ability to investigate, but also on the individual Inspector's career at an important early stage when they should be building competence.

   Under current policy, new Inspectors are assigned to more rural areas where they can "cut their teeth" on less complex investigations. Also, in 1982 we increased the number of Divisions from 17 to 39. This placed Inspectors in Charge (Managers) in places like Indianapolis, where they had not been before, and gave them more time and responsibility for working directly with junior Inspectors. Consequently, new Inspectors receive more time and attention from management in the smaller cities than they would in places like New York, Chicago, and Detroit.

5. The suit you speak of is currently being litigated in Federal District Court, and I cannot speak to the issues in that particular case. However, let me say that the Postal Service attorney was contacted by the plaintiff's attorney in this case to discuss settlement. Our attorney asked them to make an offer, and the "offer" they made was nothing short of total capitulation on the part of the Postal Service. In fact, their settlement offer was worse than what we would consider the worst case and would not have been imposed upon the Postal Service by any court. In short, their offer was not even a first step toward settlement.

   The Postal Service is still interested in a settlement offer so long as it does not violate the basic provisions of our Career Path Policy, which the majority of Inspectors support and have come to rely upon for making long-term personal and career decisions. In fact,I have taken the liberty of providing you with letters written by Postal Inspectors who support the Career Path Policy. These are unsolicited letters from Inspectors who were apparently concerned about the controversy generated about the Career Path Policy who do not want to see the Policy changed.

6. Our changing of "en route" hours to cases has nothing to do with any kind of "paper" exercise, as this question suggests. We felt that separating travel time was making an unnecessary, artificial distinction. Travel time is part of the time it takes to investigate a case as much as interview or surveillance time, or any other time distinction. Part of our reasons for making this change were also due to the fact that in investigations Inspectors often neglected to claim and separate travel time from other investigative time because they saw it as an artificial distinction.

7. As I mentioned in my testimony on October 17, we devoted over 50,000 hours to category three investigations in FY 1984 just for check theft investigations. Our policy is to work category three cases while providing priority focus to categories one and two. It is that simple and that logical. It is absolutely contrary to my policy to prohibit Inspectors from working category three cases, and I would be interested in specific allegations if you can provide them to me.

8. In FY 1986, we have made staffing changes to increase attention to lower priority work in some areas, based on our continuous management review of such matters. This resulted in additional staffing of Inspectors in FY 1986 and the opening of offices in places such as Savannah, GA, Corpus Christi, TX and several other similar size cities.

   Let me answer your question about staffing and budget in this way. If reasonable assessment of costs and benefits was of no concern, and there were no limits or constraints, our budget and staff could double, triple, quadruple, etc., and there would be some work for these people to do. However, I have serious doubts it would be the kind of work a federal law enforcement agency should be involved in. We would soon be investigating situations with adequate local remedy with $45,000 per year Postal Inspectors.

I appreciate this opportunity to provide you more detailed information and, of course, if you have any additional questions please do not hesitate to call me.

Sincerely,

C. R. Clauson

POSTAL INSPECTOR ASSIGNMENTS BY STATE
November 12, 1965

ALABAMA	18
ALASKA	4
ARIZONA	18
ARKANSAS	4
CALIFORNIA	267
COLORADO	19
CONNECTICUT	18
DELAWARE	2
FLORIDA	61
GEORGIA	49
HAWAII	5
IDAHO	1
ILLINOIS	152
INDIANA	16
IOWA	10
KANSAS	
KENTUCKY	8
LOUISIANA	26
MAINE	1
MARYLAND	31
MASSACHUSETTS	57
MICHIGAN	65
MINNESOTA	32
MISSISSIPPI	1
MISSOURI	95
MONTANA	
NEBRASKA	5
NEVADA	3
NEW HAMPSHIRE	6
NEW JERSEY	69
NEW MEXICO	3
NEW YORK	235
NORTH CAROLINA	22
NORTH DAKOTA	
OHIO	61
OKLAHOMA	8
OREGON	14
PENNSYLVANIA	147
RHODE ISLAND	3
SOUTH CAROLINA	6
SOUTH DAKOTA	
TENNESSEE	75
TEXAS	93
UTAH	3
VERMONT	
VIRGINIA	31
WASHINGTON	35
WEST VIRGINIA	7
WISCONSIN	16
WYOMING	
DISTRICT OF COL	94
PUERTO RICO	16
TOTALS	1,909

INSPECTION SERVICE CASES BY CATEGORY AND DIVISION FY 1985

DIVISION	CATEGORY 1	CATEGORY 2	CATEGORY 3	TOTAL
BOSTON	344	334	129	807
NEW YORK	1,149	1,224	481	2,854
NEWARK	324	343	97	764
NE REG HQ	12	5	2	19
HARTFORD	167	213	100	480
SAN JUAN	74	142	37	253
PHILADELPHIA	251	287	12	550
WASHINGTON, DC	414	190	21	625
PITTSBURGH	100	166	24	290
RCI EAST REG	8	2		10
BUFFALO	79	132	25	236
BALTIMORE	55	78	22	155
HARRISBURG	59	75	31	165
RICHMOND	74	99	26	199
CHICAGO	416	748	205	1,369
CINCINNATI	171	160	71	402
ST LOUIS	236	320	166	692
ST PAUL	133	158	49	340
DETROIT	229	336	45	610
RCI CEN REG	694	7	98	799
DES MOINES	82	141	29	252
KANSAS CITY	113	134	49	296
MILWAUKEE	83	137	40	260
CLEVELAND	127	201	34	362
INDIANAPOLIS	89	125	31	245
ATLANTA	147	233	17	397
FT WORTH	248	365	51	664
MEMPHIS	209	243	66	518
RCI SO REG	2	8	3	13
NEW ORLEANS	122	226	21	369
MIAMI	166	205	14	385
TAMPA	486	219	40	745
BIRMINGHAM	81	118	28	227
HOUSTON	653	457	34	1,144
CHARLOTTE	151	219	47	417
SAN FRANCISCO	222	270	83	575
SEATTLE	163	225	81	469
LOS ANGELES	595	767	233	1,615
RCI WEST REG	270	4	7	281
OAKLAND	242	259	66	567
SAN DIEGO	109	130	75	314
PORTLAND	64	123	26	213
DENVER	116	196	82	394
PHOENIX	137	171	55	363
SID	84	67	58	209
TOTAL	9,728	10,302	2,931	22,961

Mr. McCLOSKEY. Another respected witness from Washington, DC, Mr. Joseph E. DiGenova, U.S. attorney, Department of Justice. Good to see you, Mr. DiGenova.

STATEMENT OF JOSEPH E. DiGENOVA, U.S. ATTORNEY, DEPARTMENT OF JUSTICE

Mr. DiGENOVA. Good morning, Mr. McCloskey.

Mr. McCLOSKEY. You appeared well on the national network the other evening.

Mr. DiGENOVA. Thank you, Mr. Chairman. With me this morning is Timothy J. Reardon III, principal assistant U.S. attorney for the District of Columbia.

Mr. Chairman, I just would like to briefly summarize my remarks. I first appreciate the opportunity to be here today and to discuss any of the issues related to this that touch upon the law enforcement aspects with which the U.S. Department of Justice is concerned and to, in addition, pay tribute to the tremendous work done by the postal inspectors with whom we work every day.

We are grateful for this opportunity to share with the committee some of our thoughts on a problem which is obviously of concern to the members.

We, of course, are unable to comment on the actual management policies and practices of the Postal Inspection Service relating to either the case priority system or the Career Path program, but we can address ourselves to what the consequences are of that policy in terms of results, and I would underscore the term "quality results," professionalism and expertise which the inspectors bring to the cases. I think it is a tribute to their training and their skill and, indeed, probably underscores the reason for the committee's concern because the committee well knows the quality of the work and, obviously, that is one of the concerns which have been expressed when that work is not available to everybody all the time.

We live in an age of scarce resources. From what I see happening in Congress every day there is a great battle to determine how resources are spent and how they should be utilized. For those of us who have the opportunity to allocate scarce resources, it becomes an even more difficult problem in deciding how to set priorities, investigate particular kinds of cases and how we do that.

Obviously, for the Department and for the U.S. attorney in my position, we have to try and analyze what the nature of our crime problem is and then decide what we are going to do about it.

One of the ways we do that here and one of the ways it is done in every other area of the country is by the Law Enforcement Coordinating Committee established—these were established in 1981 by the Department of Justice as a way of coordinating all of the local and Federal law enforcement agencies to try and decide what were the priority criminal activities.

It should come as no surprise, I am sure, to the committee the top priority in the country ended up being drugs, and it remains the top priority today. After that came, obviously, various other crimes, including very, very high priority white collar crimes. The necessity to investigate particular types of white collar crime and

the importance of that effort is underscored by the respect that we try to place in the agencies with which we work.

Certainly the postal inspectors rank high among the agencies with which any U.S. attorney has to work and so, therefore, when he or she is denied that opportunity, obviously they are going to be concerned about it and that, again, is a tribute to the quality of the work that the postal inspectors have done over the years in either direct mail related crime involving large-scale theft from trucks or postal facilities or crimes that evolve out of mail activities such as child pornography or large-scale mail fraud operations and, of course, various types of white collar crime involving stock fraud and things of that nature.

Speaking as an individual who has dual jurisdiction in the Nation's capital and who has a tremendous work load not only in the local courts but in the Federal courts, the setting of priorities by the Inspection Service obviously may not always coincide with my own, but I obviously defer to the judgment of the Inspection Service because they have the difficult job of knowing their business a lot better than we do and we, of course, are hungry for the kinds of resources that the postal inspectors can provide; and as I underscored before, it is because they are so good at what they do that U.S. attorneys want them.

I have spoken to a number of U.S. attorneys around the country. Besides having my own law enforcement coordinating committee, as every U.S. attorney does, I am lucky enough to be a member of the Attorney General's Advisory Committee which was established many, many years ago to advise whoever happened to be the Attorney General at the time on what the priorities were. As a result of being one of the 16 U.S. attorneys who sit on that, we have had the opportunity to hear complaints from other U.S. attorneys about not only diminution in service, say, if they do not have a postal inspector but DEA agents and FBI agents. So it is not an uncommon thing to hear U.S. attorneys voice a perfectly legitimate concern about how priorities of agencies conflict with their own and also how the availability of actual numbers of person hours for inspectors affect their ability to investigate crimes.

But, once again, obviously U.S. attorneys ultimately have to defer to the expertise and judgment of the agencies involved, although we do through the Attorney General's Advisory Committee communicate in no uncertain terms to the agencies that do make changes what our concerns are and try to ask them to make changes if it is appropriate.

I am sure, for example, that in the instance where U.S. attorneys have complained about perhaps the Postal Service making some shifts that in all likelihood those concerns are perfectly proper, because any U.S. attorney wants to have available to him or her the best people and the most resources, as we all do.

However, I have to speak for my own experience with the Postal Inspection Service. Obviously being in a major metropolitan area, I have benefited in the sense that as we have gotten into more and more complex crimes involving white collar crime, the addition of experienced individuals, experienced postal inspectors to the cadre of investigators available in any given area has been a tremendous advance for us in terms of the prosecutor's perspective and we obvi-

ously applaud any kind of managerial approach which is going to spread that expertise not only throughout just major metropolitan areas but after, as I understand it, this Career Path program which would evolve over a period of time would also spread it everywhere else because the people with experience would then be moving elsewhere beyond the major metropolitan areas. That would be in the long run to the benefit of all law enforcement officials and, of course, to the benefit of all U.S. attorneys ultimately who have to present these cases.

It is true that the fruits of these cases are reflected in the kind of cases we are now bringing. I will not relate to the committee in any detail the kinds of cases that we are bringing here. I have alluded to a couple of them in my testimony.

I would note that the one major case which I unfortunately cannot comment on barely at all is now pending in the U.S. District Court which involves a nearly $2 billion attempted corruption of the Postal Service and other agency contracts. It is an example of the kind of impact that a high quality professionally trained investigative service can have in an area where the public will be ultimately served not only through the finding out of a corrupt contracting procedure which is going to cost the taxpayers a tremendous amount of money, but also in terms of deterrence and the obvious manifesting of the ability of the postal inspectors as well as the Department of Jusice to ferret out that kind of behavior.

I think you can tell from just the minor allusions to the kind of cases that we are talking about that these are certainly cases that need to be addressed, and I certainly would be in favor of not affecting in any way the ability of the Postal Service to focus on the kinds of priority cases that we, in agreement with them, think should be dealt with.

At the same time, none of us who is a taxpayer or recipient of any benefit can be blind to the problems that are associated with a check recipient who has that check stolen from a mailbox in a particular area and/or some other problem which we might just for puspose of discussion define as minor in comparison to a more major type of crime.

Certainly every day in our office we face individuals from poor backgrounds who rely on a certain type of check. If that check is not available to them, it causes tremendous hardship and we are not unaware of that. Indeed, we see it every day in superior court where many of our cases involving this type of crime would be tried under District of Columbia law.

Mr. Chairman, I would only note in closing, because I know you have other witnesses who are probably much more significant than anything I would have to contribute to this conversation and discussion, by saying that we share the committee's concern as law enforcement people that everyone gets the kind of service he or she thinks they are entitled to. The postal inspectors have provided us as law enforcement officials with what we think is the highest quality of support for Federal investigative efforts in the area of postal mail crimes and fraud and white collar crime; and as we begin to move more aggressively, more aggressive than ever in the history of the Department of Justice, in the white collar crime area, we are very satisfied with the quality of the service that we

are getting and we think that over a period of time that quality is going to eventually spread out to some of the smaller communities, which have been apparently, if I understand, arbitrarily depirved of some services that they deem appropriate.

Certainly the Economic Crime Council on which I sit also, which is an adjunct to the Attorney General's Advisory Committee, has begun to set major priorities in the area of white collar crime and it is obvious to anyone who has participated in that process that there can be no effective efforts in the area of economic crime without the participation of the postal inspectors, and that means of necessity and by definition that their involvement in major criminal activity investigations is essential to the fulfillment of that mission.

I would only note in closing, Mr. Chairman, that we obviously appreciate the opportunity to share even our small expertise in the area with the committee and would be delighted to answer any questions you might have.

[The statement of Joseph E. DiGenova follows:]

STATEMENT OF

JOSEPH E. DIGENOVA
UNITED STATES ATTORNEY
DISTRICT OF COLUMBIA

As the United States Attorney for the District of Columbia, I thank the Subcommittee for holding this hearing and allowing me the opportunity to describe the excellent professional relationship between my office and the Postal Inspection Service. As their partner in the federal effort to combat major criminal activity, my office considers the Service to be a dynamic and integral part of progress in federal law enforcement.

I must note at the outset that I am unable to comment upon the actual management policies and practices of the Postal Inspection Service relating, for example, to the case-priority system and the career-path program since they involve, of course, management decisions internal to the Postal Service. However, I can address myself to the priorities and personnel practices of the Inspection Service in terms of the quality results, professionalism, and expertise of the Inspectors with whom we work. My perspective on these subjects derives from a clear benefit of the career path program, namely; providing very experienced Inspectors to my District who produce significant results.

As the United States Attorney for the District of Columbia and as a manager, I must continually re-examine and, if appropriate, adjust prosecutive priorities and legal resources as a matter of necessity. This is especially true in this unique district, the Nation's Capital, where my office is responsible

for prosecuting the more serious common-law offenses, as well as violations of federal law. Having scarce resources, it is imperative to assure that we focus our efforts on major criminal activity, both in the investigation and prosecution of cases. The case-priority system of the Inspection Service, corresponds in most parts, to established guidelines of the Department of Justice. While we rank priorities differently based on the differing missions of the agencies, we share mutually the central theme of combating major criminal activity.

It is simply because we are distinct entities with distinct missions that our perceptions may also be rationally distinct in regard to a specific priority. To illustrate: I consider police and political corruption cases or fraud, waste and abuse in governmental agencies to be high priority matters. For their part, the Inspection Service may not consider these matters as important if the criminal activity does not significantly affect the Postal Service, its customers, or its employees. In this regard, I would generally expect the Inspection Service to defer to another agency for investigation. However, if I need their support in a particular case, the case-priority system would afford the Inspection Service the flexibility to assist me. In a world filled with trade-offs competing for limited resources, such a system appears to me essential for expedient managerial decision-making and effective law enforcement.

The Inspection Service is our full partner here in the federal city in regard to all local crime, whether violative of either the D.C. or the U.S. Code. Moreover, and somewhat astoundingly in considering its relatively small size, the Investigative Service is also charged both with investigating all criminal acts committed against the Nation's mail, as well as the physical and human resources of the United States Postal Service. Discharging these most significant responsibilities requires scrupulous concern for investigative priorities and judicious use of resources.

Towards this end, the effectiveness of the case-priority system can be measured in terms of the results and quality of the investigative efforts expended within it. Here, the Postal Inspection Service deserves great praise. I see the fruits of their labor in cases submitted to my office and nearby districts and in conversations with other United States Attorneys. The Inspection Service has provided leadership in the investigative work in cases nation-wide involving fraudulent medical degrees, an issue which continues to receive wide-spread public concern. It has developed massive white-collar crime cases. The impact on the financial establishment of such investigative abilities is a salutary one for law enforcement. In my own District, an indictment was recently returned relating to alleged fraudulent procurement practices involving billions of dollars conducted by

former high-ranking postal officials and co-conspirators contracting with the Postal Service and another government agency.

In other areas, the Inspection Service has recently completed two additional significant investigations which demonstrate the quality of their work and produced the following prosecutions for:

- theft of more than $52,000 in stolen food stamps, credit cards, savings bonds, Federal, State and business checks; and
- theft of more than 1,000 checks, Treasury and commercial, worth more than $325,000;

Thirty-five arrests have been made or are pending in these investigations.

Indeed, in a recent evaluation of the Washington Division of the Inspection Service by their Regional officials, it was my pleasure to commend the Service for the quality of its investigations, excellence of its reports and overall professionalism. They do the work and they do it in an outstanding fashion.

Additionally, the Investigative Service will provide a service to two specific entities coordinating national law enforcement, the Law Enforcement Coordinating Committee (LECC) and the Economic Crime Council (ECC). Recently, I held a LECC meeting in my District. I emphasized the need to increase our efforts to combat child pornography. The Inspection Service

was appointed to the subcommittee to spearhead the work. I fully expect quality results since the Inspection Service is the recognized leader in the federal law enforcement community with respect to this repulsive criminal activity. With respect to the ECC recently established in the Department of Justice, I fully anticipate major contributions by the Inspection Service because of their ability to effectively challenge white-collar crime when the mails are an essential element of the scheme.

Against these impressive contributions to law enforcement, I understand that the mere arrest statistics of the Inspection Service are being viewed as a criteria of success. I am constrained to suggest to the Subcommittee that this evaluation appears not only to be incomplete, but also, to understate the the qualitative measure of the Inspection Service's investigative effort and its impact on successful prosecution and reduction of major criminal activity. I will defer further comment in this regard to the Inspection Service and trust that they will satisfactorily explain to the Subcommittee the goal of managerial policies on the issue. I would only add that a management strategy designed to achieve a significant reduction in major criminal activity must be viewed as a whole, not upon partial analysis of perceived problem areas.

Earlier in my testimony, I described myself as a beneficiary of Inspection Service policies. I understand that the Career Path Program, as it is named, is designed to ensure the presence of sufficient quantities of experienced investigators in those areas where the most serious and complex crime problems exist. The District of Columbia has been designated as one of those crime problem areas. While one may choose to debate which areas are more crime-ridden than others, significant postal crimes, both in number and complexity occur in or around major metropolitan areas. Therefore, it is fitting that qualified and experienced Postal Inspectors be assigned to these areas. I have benefitted by this policy as have other U.S. Attorneys located in other major cities.

In closing, we are witness to the spirit, work ethic, and professional pride of these Postal Inspectors with whom we have worked. The case priority system and the Career Path Program are means to manage limited resources; achieve significant results and maintain morale. Notwithstanding the development of new alternatives, these policies are needed to ensure effective enforcement of postal laws.

Mr. McCLOSKEY. Thank you. I really do admire and respect your expertise and the work you are doing in one of the most difficult areas for criminal prosecution in the Nation.

As a low-trained person but necessarily a lawyer, I will take you up on that offer to come down and look at the work you and your 200 lawyers are doing. That would be a great experience for me.

Mr. DiGENOVA. We would be honored to have you, Mr. Chairman. It is quite a treat to see what happens in court every day and to see the dedication of the men and women not only in my office but the local police and all the other agencies who are involved in prosecuting those cases. We appreciate your interest and thank you for it.

Mr. McCLOSKEY. I think it is safe to say that you are very satisfied with the Postal Inspection Service and the Career Path Program. Is that correct?

Mr. DiGENOVA. Mr. Chairman, that is correct and at the same time I understand why others would not feel as happy as I would because I happen to be a beneficiary.

Mr. McCLOSKEY. If you will recall—I was reading government history—back in the early 1800's the British Civil Service received hazardous duty or special incentive pay for the dire perils of being assigned to Washington and, obviously, the Postal Service has had some problems along those lines. Perhaps they should look to incentive pay also. But we are here voluntarily, so to speak, love it.

There is a difference of opinion, I would say, among U.S. attorneys around the Nation as to the implications and benefits of Career Path. Obviously you endorse it and I guess areas like Washington, DC., New York, and Los Angeles, the 14 major metropolitan areas, have benefited.

You are aware in the letter to Senator Sasser that 7 of the 12 U.S. attorneys around the country say the Service had deteriorated since 1980, and I do not recall from my one or two readings of the letter any rave reviews. I am sure you were here when I quoted the U.S. attorney from the northern district of Oklahoma as saying, "The policy is a disaster, a major mail fraud case was dismissed in the district. Secret Service has had to investigate thefts of checks from Postal Service vehicles and postal patrons."

The northern district of Georgia, in a paraphrase here, feels there is no Postal Inspection Service in Georgia period—for Atlanta and all the communities in Georgia. Obviously there are some problems out there. I guess U.S. attorneys would respectfully disagree. I talked to a former U.S. attorney who said quite frankly—I am sure this is going to vary too—none of the law enforcement agencies really get along, they tolerate each other, but they have to say what they say.

I am sure you are having a wonderful experience in Washington, DC. Could you comment generally from your expertise as to how you would improve the system in any way from the standpoint of case priorities or cooperation with the Postal Inspection Service. I do not mean that in a negative way.

Mr. DiGENOVA. Well, Mr. Chairman, I can tell you this. One of the things that we look at, we want to see what kind of an impact we are having. We want to make sure that we are spending the limited resources we have effectively; and obviously from our per-

spective we want to do that in major cases. That is, or course, why you would hear that kind of complaint that you have outlined in those letters, which are perfectly legitimate in the sense I know those U.S. attorneys need something, they want it desparately in order to do their job better. If they cannot get it, they are going to say something about it. These objections are not new and they have been raised at the Advisory Committee of the U.S. Attorney General and, indeed, have come up in the Economic Crime Council and so there is an effort to coordinate with the Postal Service and to work those problems out.

It seems to me that any type of system to sort of reorder the priorities of an agency is going to be always fraught with problems. Any time you try to shake up administratively any operation, it is going to happen. We have done it in our own office by reorganizing our Federal crime operation and there is always fallout from that.

It seems to me that as long as the Postal Service remains sensitive across the board to the needs of not only communities but the mission of the Postal Service, that probably—this may sound a little simple perhaps—that these things obviously eventually work themselves out, that in any type of administrative change there are going to be problems with individuals who may feel that they have been mistreated by a new policy, but that eventually in the long run the agencies probably benefit from some sort or change because, as you well know from having sat on a committee and watched and overseen various agencies, agencies tend to get set in their ways and change is a wonderful way to do something about making sure they are being productive and they are fulfilling the mandate that Congress has given them to spend money efficiently.

I really do not have any suggestion to make to the Postal Service about what it is doing. I can say that I certainly share the concern of other U.S. attorneys and there are probably relatively few in numbers, given the fact there are 93 U.S. attorneys, who have suffered diminution of this service. I would be saying the same thing that they are if I were in the position of having suffered a diminution in service. I think that is a perfectly legitimate complaint. It is not one, however, that I understand the Postal Service is ignoring. I understand the Postal Service is trying to deal with the criticism in a way that does not do disservice to what they believe is a legitimate management initiative to get more bang for the buck, something which I applaud as a manager who has to deal with less these days and is expected to prosecute more cases and convict more people. I suppose, likely enough, we are being successful, such that we need a new prison in the District of Columbia, a fact which I happen to be proud of. It is one perfect measurement of whether or not we are having an effect. The Postal Service has been part of that effort, and I am glad to have them with me. I am glad they are here in the District. They make my job a lot easier. I understand why other U.S. attorneys would not be happy if they were not in their district. We are jealous of that kind of relationship.

Mr. McCLOSKEY. You were not here for some of my previous questions. We are concerned about allocation of resources, efficiency, serving everyone in America to the best of our abilities. Let's face it—different institutions and divisions and people have different expertise. Why wouldn't the FBI be a better vehicle to handle

murders and major assaults and significant robberies involving these Federal employees, letting the Postal Service concentrate on the—I won't say minor; many of them are very significant—cases. Every instance is significant, but the inspection service should pursue the business that to a greater or lesser degree affects all their clientele worldwide. Wouldn't the FBI be better able to go after the murderer of a Postmaster?

Mr. DiGENOVA. Well, I think usually, Mr. Chairman, in those instances the FBI is usually assisting and certainly providing information that the Postal Service needs. Let me say this. I speak from some experience. I had an assistant U.S. attorney shot at who was investigating major drug dealers in the parking lot of the U.S. Courthouse. I have had the courthouse the subject of threats during the trial of a gentleman we extradicted from Columbia a year ago where we had warning that the courthouse was going to be blown up by a Colombian terrorist gang coming through Mexico. I can understand the feeling, therefore, of the postal inspectors who want to get that person responsible through a legitimate investigation for the killing of someone associated with the Postal Service. And I really think that in terms of esprit de corps and the importance of allowing a perfectly legitimate law enforcement agency to investigate that kind of a crime that it is very important for the morale of the service that they be able to do so.

Knowing, as I do, how much work the Postal Inspection Service does in that kind of a case in cooperation with the FBI as well as U.S. attorneys when they investigate them, I would not if I had a blueprint in front of me say the postal inspector, say, should not investigate that crime, the mail and postal related crime. It is much worse in the true sense of those words than any type of traditional mail-related or postal-related crime.

Mr. McCLOSKEY. The question is not whether it is worse. The question is who would be best equipped to do it given limited resources. When you hear the figure that we have, the equivalent of 25 or 30 fulltime people for all the category threes in the Nation, I respect the concerns for morale and the attitude and spirit of the Post Office, but there seems to be a need to improve priorities and I am just looking for a steer from you. I think the FBI must be a super department in investigations of this sort.

Mr. DiGENOVA. Well, the fact is that the FBI does not investigate many homicides, Mr. Chairman. They defer mostly to local authorities all the time on homicides, and that is not by way of their desire not to do them, although I do not think the FBI is particularly interested in investigating homicides that it does not have to. I will say given the demand on them these days in the area of terrorism, narcotics and other white collar crime as well I do not know, for example, that they would actually be seeking any jurisdiction in this area; but certainly I think it would be appropriate to ask. I think, quite frankly, in answer to your question the Postal Service is the best equipped agency to solve that particualar crime and that in light of the fact they do, in fact, coordinate very closely with other investigative agencies that, in fact, I think it is an efficient way to do it. It may be that in a given case a large number of inspector hours are devoted to the solution of a particular crime. I believe the number was 52—the number of homicides, I believe,

was 52 or 53 over how many years since 1973. That is a 12-year period. I do not know what the total number of investigative hours would be compared to over that period of time, but probably it is not inordinate and, indeed, of course the object of any of these investigations is to solve the crime.

Given that rate of success, which is well over 99 percent, if it is not broken, I would not fix it.

Mr. MCCLOSKEY. This may not be your area of expertise, but I would like a subjective opinion from you. You have about 200 lawyers to handle everything that is coming in under District of Columbia law.

Mr. DIGENOVA. Yes, sir.

Mr. MCCLOSKEY. And Federal law.

Mr. DIGENOVA. Yes, sir.

Mr. MCCLOSKEY. And I am sure from all my experience as a police reporter and watching TV crime you are going to show me when I go down there in a few weeks that you are swamped, that people are working hard and burning out, right?

Mr. DIGENOVA. Yes, sir.

Mr. MCCLOSKEY. Now, we have, in effect, one-eighth that amount of investigative service, one-eighth going to all the category threes in America. Just as a matter of subjective opinion, not your expertise, wouldn't you say there is a substantial need for beefing up there?

Mr. DIGENOVA. Well, Mr. Chairman, I am loathe to sort of render an opinion on that because I do not know enough about the substantive responsibilities involved in those areas. I will say this. If I were——

Mr. MCCLOSKEY. We are talking about the world now.

Mr. DIGENOVA [continuing]. Well, I would look at any time I had numbers, I was worried about numbers of crimes. I would also worry about how I was going to service those numbers. I do it every day. We do it in the area of drugs. Forty-five percent of our felony calendar is drugs. That is unbelievable, and 60 percent of the misdemeanor calendar is drugs. I have to worry about how I am going to deal with that to the extent of numbers that the category threes are a concern, and to the perception of some they are not being addressed, obviously something should be done. But how to do that eventually gets you back to the area of what is important, what the priorities are. There are other ways to deal with the particular type of crime and I would not second guess the Postal Service on how to do that.

From what I have heard and learned, they are not oblivious to that concern and, indeed, they are not trying to say that is not their responsibility and they do not want to do something about it. Given that attitude, I think it is a problem that can be solved relatively easily.

Mr. MCCLOSKEY. Thank you very much. I enjoyed your testimony. It is good to have you here today.

Mr. DIGENOVA. Thank you.

Mr. MCCLOSKEY. I know you have a few things back at the office.

Mr. DIGENOVA. Thank you, Mr. Chairman.

Mr. MCCLOSKEY. We are going to have a four-person panel: Ms. Patty Bell, wife of a former U.S. postal inspector, Mr. I.M. Cald-

well, Mr. Charles Gholson, and Mr. Davis LeBlanc, all U.S. postal inspectors.

I welcome you good people to this most interesting hearing, and I really look forward to hearing your concerns and anything else you want to bring up regarding the Postal Inspection Service—the impact on your careers and the ways that things can be improved.

Please relax. This is an informal setting. So, with that, why don't we start with Ms. Bell. Then after that, let's go to volunteers, whoever wants to start up after her.

STATEMENT OF PATTY BELL, WIFE OF FORMER U.S. POSTAL INSPECTOR

Ms. BELL. Thank you, Mr. Chairman.

Mr. Chairman, none of us submitted a written statement in preparation for today's hearing. But, with your permission, there are a few observations we would like to share with this subcommittee before we begin answering questions.

I would like to quote a good friend who accurately summed up the situation for many of us when he said, "We sense the wind of change in the Postal Service today, and we are cautiously optimistic."

We believe Postmaster General Carlin is the primary source of this change and thus deserves a great deal of credit and praise for his determination, exhibited in both words and actions, to transform the Postal Service's organizational culture, as he put it, quote, "away from the negative, authoritarian patterns of the past, and toward the progressive, participative patterns of the future," end quote.

To further quote Mr. Carlin, "These are not ideas we can take or leave. They are an organizational imperative. Without them, we will decline and fall as an enterprise," end quote.

Mr. Chairman, the members of this panel are here for several reasons. First, to help you and your subcommittee gather factual information about what has really been going on in the Inspection Service since 1979, and why. To "tell our story," if you will.

Beyond that, we and the several hundred friends and coworkers we represent, believe to varying degrees that the problems experienced by the Inspection Service today can be addressed and the detrimental policies initiated since 1979, reversed. Moreover, these problems must be addressed, and soon.

In all honesty, it is too late to undo much of the damage which has been done to many inspectors, their careers, their family members as individuals and as family units, and their finances. But, it is not too late for many of the remaining members of the Service, and certainly not too late for the Service itself, and its future.

We are grateful for the interest and concern extended by various Members of Congress. This interest had led, among other things, to today's hearing before this subcommittee and last month's Senate hearing during which Senator Gore extensively questioned Mr. Clauson about the critical need to change certain Inspection Service policies and practices. Senator Sasser and his staff also worked over a long period of time to gather information pertaining to low morale and decreased efficiency and effectiveness in the Service

since the inception of the Career Path policy and the changes in investigative priorities instituted by former Chief Inspector Kenneth Fletcher.

Last, but not least, thank you for the opportunity to come here today and play what we feel is a necessary and constructive role in helping to move the Inspection Service to a higher order or excellence than has been demonstrated in recent years. Reaching that plateau will also contribute measureably to the restoration of respect among the larger family of this country's law enforcement community, and among the Postal Service family as a whole.

I think we are ready for any questions.

Mr. McCLOSKEY. Do you want to say anything informally regarding the situation with your family as affected by the Career Path policy?

You think, in essence, with the change in the policy that the situation has been rectified, at least as far as it is going to affect other people? I know there is still pending litigation.

Ms. BELL. Right.

Mr. McCLOSKEY. Was your situation just an unfortunate early occurrence, or are you going to tell us there are still severe problems with the Career Path, even though now it is not supposed to affect people that came in before 1980.

Ms. BELL. Right. That change is going to help a lot of people.

I have one real good friend who had received—Dennis Lewis, you mentioned him earlier—who had received a letter transferring him to Chicago. That transfer has been stopped. We are hoping to get the transfer of Tom Hofius stopped. It will affect people on down the line. There are a lot of us, and by a lot, it is not just the 39 people who are mentioned in the lawsuit. There are hundreds of inspectors and former inspectors, who have been hurt.

Some of them were under 40, 50 years of age. They couldn't file an age discrimination complaint. There are just a number of people who have been adversely affected by this policy. It has been going on a long time.

Many of us are still dealing with the problems this policy caused financially and within our families. It has just been pretty much a disaster.

Mr. McCLOSKEY. I would say, to be well along near the end of a career with 5, 6, or 7 years to go, when you have made numerous transfers, then be told suddenly you must go somewhere else, with the problems of housing, getting established in the community, I would say in most cases many of the inspectors plan to retire in the communities they were last assigned.

So, I think it has been fairly admitted that, as it was, it was a very arbitrary and, I guess, difficult initial implementation.

Do you want to comment on it, either on where to go from here, for the benefit of anyone in the audience who may not know about particularly what happened with you and your husband as far as the announcement of the transfer?

Ms. BELL. I would like to give you some background information on our case, especially since Mr. Clauson used my situation as an example, because there were a lot of things that were left out in what he said.

To begin with, we were hit by a forced move in 1980—early 1980—when a lot of domiciles were closed. And at that time, my husband could go to Knoxville, TN, or he could go to Nashville and take an assignment which was a promotion.

The then inspector-in-charge of the division, the former Chattanooga division, called us at home and suggested that we take the position open in Nashville, because No. 1, it was a promotion, No. 2, it got us a little bit closer to Birmingham where my cardiologist resides, and No. 3, as he pointed out, it would be an excellent place to retire.

My husband was, a little over 2 years later, hit by the arbitrary reassignment to New York City. When we moved to Nashville from Johnson City, that was when the prime was 22 percent. We could not sell our home in Johnson City. We had to put it on the market and ultimately rent it. We extended ourselves by buying a home in Nashville.

Had we heard anything about a Career Path policy, we would have simply gotten an apartment as cheaply as we could find one, and waited until we got hit by another forced transfer.

Our situation is not unique. There are a number of people who got caught with forced transfers because of the closing of domiciles.

We would up with two homes and a bridge loan that we turned into a second mortgage. We were paying out approximately $1,270 a month in total house payments with the situation.

We heard about 3 months after we got into our home in Nashville about the Career Path policy. Needless to say, it upset everyone, because a lot of us knew we would not be able to sustain another move under the circumstances.

In addition, with my heart problem and the fact that it is hereditary and my daughter has it—it is also rare, and my doctor in Birmingham is the world's leading researcher in this condition—we felt it was necessary for me to remain as close to Birmingham as possible.

When we were notified of the arbitrary reassignment to New York, I immediately called my husband's immediate supervisor in Memphis and told him of my health situation; told him I had done what I felt was proper and was going to, therefore, go outside the Inspection Service and send the letters from me and my cardiologist to Postmaster General Bolger.

We had met him in 1979. The day I met him I received a letter from my cardiac surgeon in Birmingham advising me I was to come in for an evaluation for open heart surgery, which fortunately I didn't have to have. It would not solve the problem. It is not curable.

Mr. Bolger and I had a lengthy conversation. He initiated correspondence with my daughter. There had been a real friendly relationship over several years.

When Inspection Service management learned I intended to go to Mr. Bolger, I got a call back immediately asking me to "please give the Inspection Service a chance"; to send the letters through channels to Washington, to let Mr. Fletcher review the situation; that he would have the Postal Service Medical Office at his disposal; that they could go over this technical medical information and make a decision in our case.

In other words, things were done that gave us hope that maybe we would get a recision of the transfer, although I had heard of a number of cases, including Inspector Caldwell's, in which people had applied for hardship exemptions and were turned down.

In our situation, I sent the letters. My cardiologist made it very clear—if it is all right, I would like to quote one paragraph from his letter which went to headquarters.

> To the best of our medical judgment, Mrs. Bell represents a subset of mitral valve prolapse with severe and definitely threatening symptoms. We consider it mandatory that Mrs. Bell remain under very close specialized cardiologic supervision. We also consider it of paramount importance for her well-being to avoid living in rigorous climate areas with excessive smog, extreme temperatures or humidity. Such environmental factors clearly constitute a serious threat to her well-being. They produce not only a severe increase in her chronic bronchial obstruction but may concomitantly easily lead to cardiac arrhythmias that could unquestionably pose a significant threat to her life if not corrected promptly and appropriately.

I think that that says it pretty well. It scared me when I read it even though I already knew it. In my letter to headquarters, I pointed out some of the specific problems that go along with what I have—that this can include the sudden death syndrome.

I also pointed out to them that putting us in a situation that we could not financially handle—because we could not handle another move and I didn't want to be separated from my husband for 5 years—that we went to New York that would be one more residence we would have to maintain.

With all of this information, and also with me requesting that they please get me an answer as soon as possible, because this caused the return of cardiological problems that had been under control for 3 years—I was doing quite well before we got the notice to move to New York—it took approximately 30 phone calls in a period of a month to Inspection Service headquarters before I finally got the undated—and what I consider rather curt—response from former Chief Inspector Fletcher, which as far as the hardship condition simply said, "I am most sympathetic toward the conditions you outlined regarding the medical condition of you and your daughter."

As I said before, they instructed me to send these letters in. That was the only mention of hardship letters, the request for an exemption or even an extension. Because in the phone calls, I had asked them if they would not exempt us or at least extend our time in Nashville until my daughter—who just was going into the 10th grade—could graduate, so I could move to New York with my husband and during the winter, because I have a hard time during the winter, I could return to Florida, live with my mother, whatever, and my husband could remain and finish out his mandatory 5 years in New York.

There was no response to even that request.

Mr. MCCLOSKEY. There was no response to the request?

Ms. BELL. No, only——

Mr. MCCLOSKEY. Who had the responsibility for responding, again? Can you state that for the record?

Ms. BELL. Yes, Mr. Fletcher had the ultimate responsibility. Mr. Clauson and I had a couple of lengthy conversations concerning the situation.

Mr. McCLOSKEY. Did you ever receive an adequate statement as to why you didn't get any response or why you did not—your situation did not—constitute a hardship?

Ms. BELL. No. All that Chief Inspector Fletcher said was that basically mobility was what mattered, and if he could not remain mobile, he could not remain an inspector.

This is the letter which is quite clear about that. It wound up saying, "Inspector Bell's transfer to New York is necessary for the good of the Service. It is a prime example of why we have mobility as a condition of employment. I will not rescind either the requirement for mobility or his transfer."

Now, I didn't ask them to rescind the requirement for mobility. When my husband became an inspector—and he has this in writing—inspectors were assigned permanently to divisions.

Mr. Clauson and I discussed that at length one time. He told me I was misinterpreting what permanent assignment meant, and I pointed out, that my husband's letter which says, "Your domicile will be set in the division to which you will be permanently assigned," means just exactly what it says.

Mr. McCLOSKEY. Let me interject and ask one of the inspectors with you about something we should have gotten on the record this morning. Is there a clear definition of "hardship" in the regulations that should have applied to Mrs. Bell's case?

STATEMENT OF CHARLES GHOLSON, U.S. POSTAL INSPECTOR

Mr. GHOLSON. My name is Charles Gholson. I am a postal inspector in New York City now.

I don't know of anyone, as Mr. Clauson testified, that has been granted a hardship transfer. That is another area where it has had a very adverse effect on morale, not just the inspector directly affected. Other inspectors can look and see that this may be a very bad situation, and management—top management—apparently has no sympathy whatsoever for the situation.

They can see this happening to those people. They say what is going to happen to me with managers that are apparently as heavyhanded and as uncaring as this.

Mr. McCLOSKEY. Let's talk a little bit, Mr. Gholson. You are with the Inspection Service now.

Mr. GHOLSON. Yes, sir, I am.

Mr. McCLOSKEY. Just, subjectively speaking, what kind of position are you in, being out here in public today speaking critically, constructively?

Mr. GHOLSON. I wish I knew, sir. I am quite concerned about this.

Mr. McCLOSKEY. You are very courageous to be here. I know all the pressure and difficulties involved.

Do you want to state your case and concerns?

Mr. GHOLSON. I want to do anything I can to improve the situation within the Inspection Service.

It has gotten to the point where something has to be done, I feel, to turn it around, particularly the morale situation involving Career Path. It is a situation that should have been resolved a long time ago. We perceive that top management has not really attempted to settle the situation, but rather drag it out.

Mr. McCLOSKEY. How many years do you have in the Service, and where are you now? Could you suggest what they need to do to clean all this up?

Mr. GHOLSON. Yes, sir.

I was appointed postal inspector in 1968.

I was domiciled in Louisville, KY, and got my orders to report to New York City effective exactly 4 years ago today. Prior to that time, I had many assignments. Some I didn't consider too desirable, but you knew that was to be expected in anybody's career when they get started.

I had gotten to the point where I thought my finances were in pretty good shape, and then along came Career Path. You start all over again in New York City.

I have been there 4 years now.

Mr. McCLOSKEY. Do you plan to retire in the area?

Mr. GHOLSON. No, sir. I am 45 years old. I have got nearly 5 years to go before I can possibly retire.

Mr. McCLOSKEY. Did you raise any particular hardship concerns?

Mr. GHOLSON. Moneywise is my main concern. I took about a $10,000 a year cut to transfer to New York from Louisville, KY.

I have a daughter in college. I will also have a son in college next year. It is very difficult.

Mr. McCLOSKEY. What would you say about a possible Postal Service assertion that you signed up for duty like this? You weren't within 5 or 6 years of retirement, you had 10 or 15 years to go, and they needed you in New York City?

Given those management perceptions and demands, how should they have handled it? Should there be an incentive system to make such transfers and encourage more voluntary moves?—Let's say that you are at the highest levels of the Postal Inspection Service. How would you handle the situation, given their priorities?

Mr. GHOLSON. Yes, sir. When I was appointed in 1968, it was the widespread understanding that you were appointed to a division of the Inspection Service.

You would remain in that division until you retired unless you personally requested transfer or extremely rare cases of disciplinary transfer.

I know of no cases where a policy came along and you had widespread mandatory transfers. It never existed prior to the Career Path.

Top management might say look what Career Path has done. It has improved this or improved that.

But in my opinion, it has been more than offset by the reduction in the efficiency through the loss of morale, not just the people directly involved, but also other people looking on, saying, "Look what is happening to them. I could be next."

Mr. McCLOSKEY. Taking it from the standpoint of service to the people of this Nation, can you comment on service and perceptions as to the States and nonmetropolitan area communities that are evidently being served less?

Mr. GHOLSON. In my opinion, yes, sir.

I was in Louisville, KY, before I came here, in external mail theft, investigating burglaries and robberies.

The bulk of my investigations involved people stealing a few checks. Not big time, but it is very important to people expecting these checks.

Then these investigations category 3 situations, and I was told to not devote my time there, to do other things.

And as a result, they didn't need that many people in Louisville, because they were now category 3 cases and someone decided they weren't that important, and we shouldn't be doing that any more.

Mr. McCLOSKEY. Are you saying that, in effect, the Postal Service does not care about category threes? This intrigues me.

Do you want to comment a little more about the man-hours, nationally and worldwide, that are devoted to each category? What are the percentages for each category?

Mr. GHOLSON. At the time I am speaking of now, of back in 1979, 1980—I have been in New York since that time—at that time, I perceived it that they did not want category 3 hours being utilized.

In fact, I was told, "Don't do it or someone will think that you don't have much to do, and we will see if they can't find something more productive elsewhere."

Mr. McCLOSKEY. Can you say who said, "Don't do it. Don't do category threes"? We would like to track these things out.

Mr. GHOLSON. He is a retired assistant inspector in charge.

Mr. McCLOSKEY. Maybe we can get his name from you later, not to go after him, but to evaluate.

Mr. GHOLSON. He was just repeating policy as he understood it, be it right or wrong.

Mr. McCLOSKEY. Now, so you are stating basic disagreement with the particular prioritization policy that resulted in forced transfers to major metropolitan areas?

Do you think that was a bad call, given Inspection Service perceptions of the problems of retention in the Service and the types of crimes in these 14 areas?

Mr. GHOLSON. In my opinion, it was. I believe the people, the public, has a right to some representative of the Post Office who appears to care for their problems when they have checks stolen. Maybe it is not the most major crime in history, but someone should be there and attempt to resolve these problems.

Mr. McCLOSKEY. Are you one of the 39 or 40 people involved in that litigation?

Mr. GHOLSON. Yes, sir, I am.

Mr. McCLOSKEY. What are you seeking now from the Postal Service? I can make a guess myself, but would you tell us what you are seeking now from the Postal Service in regard to the impact Career Path had on you?

Mr. GHOLSON. Well, I was impacted personally by forced transfer which I was not expecting, or course. It costs me roughly $10,000 a year, what with the one kid going to college now and another one next year—a very bad time.

Mr. McCLOSKEY. So——

Mr. GHOLSON. All I want out of it is just the chance to go to a part of the country where I want to be, and just to be reimbursed for what I have lost these past 4 years.

Mr. McCLOSKEY. Obviously, there are some money damages or stipulations.

Mr. GHOLSON. Certainly.

Mr. MCCLOSKEY. It is a matter of common sense. How about one of our other inspectors? Mr. LeBlanc?

STATEMENT OF DAVIS LeBLANC, U.S. POSTAL INSPECTOR

Mr. LEBLANC. Yes, sir. Good morning, and thank you for giving me the opportunity to be here this morning.

Mr. MCCLOSKEY. Thank you for being here.

Mr. LEBLANC. I came into the Inspection Service in 1968, the same year as Inspector Gholson.

He and I received our letters of transfer to New York the same date, September 3 of 1981.

I did not suffer or request any hardship exemption prior to being transferred, but the move and relocation to the New York area certainty impacted upon me and my family in a very servere way.

We had problems with my daughter as soon as I came out, as a result of our relocation. And for whatever reasons, she conceived within her own mind that the reason that I came out was this desire, apparently, to be motivated and climb the social ladder, which was not the case in point, then for whatever reason she justified this feeling simply because she felt I was taking away two of the best years of her life by taking her out of the last 2 years of high school, and prior to that time, for three-fourths of may career.

Mr. MCCLOSKEY. In what community did she attend high school and where were you transferred from?

Mr. LEBLANC. I am sorry, from Omaha, NE.

At that time, at that particular time, or up until that time, we always had an open discussion if the possibility existed that I might be transferred, and, of course, until that time, also, transfers were normally with the opportunity for promotion.

I discussed all transfers with the family. I had tried already for a promotion and transferf to Washington, DC., which is one of the 13 major metropolitan areas, and then approximately 6 months after that, I tried for a transfer to Chicago, which is a major metropolitan area.

And when I didn't get either one, for whatever reasons, I decided then at that particular time that I will just go ahead and be content to stay in Omaha.

However, Career Path came along, and that changed my mind. I guess one of the things—I don't think anybody would really object to the need for a program to basically or evenly distribute their manpower where the needs are.

I think the way in which it was applied, the Career Path program, it is a misnomer in that what can it do for me, for my career, when three-fourths of its is already gone?

If I call your attention to page 13 of the inspector—Chief Inspector Clauson's comments, No. 1, he says he treats every inspector the same and is therefore not arbitrary nor discriminatory.

It treats every inspector fairly who comes in as of 1980, and if he is adequately explained this program, and he is aware of it. He is being treated fairly.

No. 2, it says it requires every inspector to spend 5 years in a major metropolitan area city sometime during their career.

Everyone that comes in as of 1980, yes it does. I wish that program would have been in effect when I came in. If they had told me I am going to New York, I would care less where I would have gone.

At that time, I was not married, or I had just been married, and I had a 4-year-old daughter.

I wasn't concerned about what school I would have to be placing her in, what kind of neighborhood, or away from crime areas.

When I was transferred to New York, I had a 10- going on 11-year-old son, and my daughter is finally coming out of this now, but I am finding myself in a position where, when my 5 years is up and the opportunity does come up for me to relocate, my son is going to be in the same position my daughter was in.

His roots will be established. And I cannot continue affording to live there.

You don't accummulate furniture. You don't establish your roots for 20 years and all of a sudden have that taken away from you, and then be expected to move to a one- or two-bedroom apartment until your family has grown, and get rid of half of your furniture.

Mr. McCLOSKEY. Mr. LeBlanc, we have been told one of the reasons for this policy was for people to serve in the least desirable areas, where they are having a harder time getting people. Chicago and Washington, DC., I guess, are in that list of 14.

What did they tell you when you tried to serve in one of those more difficult areas?

Mr. LEBLANC. Well, when I tried for Washington and Chicago, that was in 1977 and 1978. But a program such as this—the problems that resulted in a program such as this doesn't come into being overnight.

I can't say that exact date that these problems started.

Mr. McCLOSKEY. What were you told in regard to why you could not get the transfers? What did they tell you? No need or——

Mr. LEBLANC. Well, oddly enough, the instructions have always been when an applicant applies for a position, if he does not get it, he will be notified in writing as to the reasons why he never got it.

I was never notified. I have tried to find out many times before, but I was never notified.

After a while, you give up.

Mr. McCLOSKEY. Obviously, there has been a problem in the Postal Service with answering letters.

Ms. BELL. Yes, sir.

Mr. LEBLANC. It might have gotten lost. I don't know. I am not being facetious, believe me.

Mr. McCLOSKEY. I am not either, but this is the second or third incident this morning where people have said they just didn't get a response, period.

Not even a "No" to a significant request. It has to concern you.

Mr. LEBLANC. I did get a response to the last request which I had made and that was after Career Path was implemented when I tried to relocate to Minneapolis because my daughter was interested in the arts and there was a good art school there. However, I was told then that by transferring me that would circumvent Career Path. There was no need—we are talking about from February to September 1981. So apparently there was no need to have

me in New York in February 1981 at the time that I applied for a position in the Twin Cities area. That would have necessitated a move, necessitated remortgaging or getting a new mortgage, a high mortgage interest rate, but I was told that will circumvent Career Path and, needless to say, I did not get it.

One of the most unfair treatments in my own mind, here, on how we were treated on this is that when this program was first explained to us in 1980. December of 1980, we were told to go home, review the policy and then we had a short amount of time—I forget how much, it was less than a month, 2 or 3 weeks—to decide as to whether we wanted to relocate to 1 of these 13 major metropolitan areas at that time.

I went home, I talked to my wife and she said how far are you on the list? I said I have no idea. The boss, my inspector in charge at that time, had said that the program was designed in such a manner that younger inspectors would be asked to go back to other major metropolitan areas and, consequently, we would be lucky if they took one name off the list per year. I had 2 or 3 weeks to make up my mind not knowing where I stood on the list. From the information that I could personally gather, which was not provided to us, I made a reasonable estimate that I might be 75 to 100 on the list, seniority list. When the list first came out in February, I was number 22. But then although I was dejected I got uplifted. Again, I figured one a year, that gives me 22 years. Consequently, I am going to be exempt in a year and a half's time and I do not have anything to worry about.

However, from February to September they purge that list and go through 100 people.

Mr. MCCLOSKEY. Do you think the program has been improved to the point where it is no longer arbitrary? I understand the tragedy of your situation. Do you feel the Postal Service has seen this problem and corrected it?

Mr. LEBLANC. Insofar as exempting everybody that came in prior to 1980?

Mr. MCCLOSKEY. Yes.

Mr. LEBLANC. Yes, sir, but that does not serve the purpose for not only we 39 to 43 people who were involved in litigation on this thing, but it has affected a lot of other inspectors who have already moved from one area to another, simply to not be transferred to Los Angeles or New York.

Mr. MCCLOSKEY. I think you have been categorized as "some few soreheads." Can you comment, anyone, on what kind of response or attitude you are getting professionally from the Postal Service right now? I think if I were management and saw a problem and rectified it for everybody after 1980, I would want to get it behind me and make the people who are litigating relatively happy, unless you are busting the bank of Monte Carlo, so to speak. it does not sound to me like you are trying to bust the bank.

Mr. LEBLANC. No, we are not trying to bust the bank. As Inspector Gholson said, our main concern is what is right for the Inspection Service. The Inspection Service and the Postal Service provided me with a good living until 1981. It really did. We are still devoted, we are dedicated to the Service; otherwise, I would not be here in New York. I have lost—I have got documents at home with

the difference in my taxes and everything—an average of fifteen five the first year, approximately sixteen five the second year and it does up $500 to a $1,000 each year. My taxes go up, my commuting costs. My daughter had to drop out of college. In the past or back in Omaha where I had worked for many years I put some money away. I had a trust fund set up for her education. That has been wiped out. My having to buy a house has quadrupled my mortgage on my home in order to buy a home of comparable size. To take care of our personal possessions and whatnot, I had to buy a home and then secure a first and then a second mortgage equity loan. Right now I owe $30,000 more on that house than when I bought it 4 years ago.

Mr. MCCLOSKEY. Since we are talking about this, can you say what your annual salary is now with the Postal Service?

Mr. LEBLANC. It is $48,808.

Mr. MCCLOSKEY. OK.

Mr. LEBLANC. I have also gone on the theory it does not make any difference if you make $100,000. If you have $103,000 going out, you are in bad shape.

Mr. MCCLOSKEY. More than a few of us on the Hill are aware of that problem.

How about Mr. Caldwell.

STATEMENT OF I.M. CALDWELL, U.S. POSTAL INSPECTOR

Mr. CALDWELL. My name is I.M. Caldwell. I entered the Postal Service in 1955 which is almost 31 years. I entered the Inspection Service in 1966. Before I get into some of the other things, I would like to make a couple points I do not think have been made clear today. One is we have the impression that there was no prioritizing of cases prior to Career Path. That is not so. I have been in the Inspection Service almost 20 years. When I came in the Inspection Service, whenever you were issued a case, it had a time limit on it. Those time limits ranged from a couple of weeks or so to 6 months. I can assure you your inspector in charge made sure that you prioritized your work. So there was a priority even back then. An inspector was held accountable for that. I want to clear up that.

Also when I came in—it is still in effect to some extent. I was recruited from Lubbock, TX. I could not stay in that division which at that time was just Texas. I had to go to some other division to prevent conflict for my work, maybe working with friends. The same was true of someone who came in in New York; they could not work in New York or any other major metropolitan area. They had to go somewhere else. At the end of 3 years you could request to go back to where you were from at your own expense. So it does not take a mathematical genius to figure out if you wanted to really save the Postal Service money and increase morale you would have a heavy recruitment in domiciling the people from a major metropolitan area, recruit from New York. I live there, why would I want to leave? That could be one solution to the problem.

As to how the Career Path works, of course I realize I am biased. I make no bones about it. We have a couple of jokes in New York, the Career Pathers do. It is that going to New York is the same thing as retirement; only you have to go there to get your check,

you have to go into your office to get your check. You are doing less work than we ever done before. The other joke is you can take your $10,000 cut either in New York or get a lower paying job in the Post Office somewhere else. Even the top management in the Postal Service in New York, the Regional Chief Inspector in New York City, who is one of the executives of the Inspection Service, put out a letter on September 23, 1985. I would like to read two paragraphs that are very meaningful or self-indicting as far as I am concerned. One sentence in it says, "Moreover, staffing a task force of qualified inspectors who can provide meaningful information to Postal Service management is becoming a serious problem."

This is 4 years of Career Path and many millions of dollars of transferring people to New York.

Mr. MCCLOSKEY. I am sorry, sir. I did not get that last point. Could you repeat that.

Mr. CALDWELL. The last sentence was, "Moreover, staffing a task force with qualified inspectors who can provide meaningful information to Postal Service management is becoming a serious problem." Career Path was supposed to have solved this problem by sending the people "who had the most experience and expertise to New York." It has not. I work the audit function. I have no dealings with crime work at all. I do less work than I have ever done in my life. I attended a team meeting yesterday. My team leaders were concerned we do not have anything to do right now. It is scraping bottom trying to find something to keep us busy. There are six, including him, six of us on the team. This is not an unusual situation.

Mr. MCCLOSKEY. I would like to intervene. Would you state why that is the case; why you have nothing to do; why this is not unusual? I am sure they can use you in some other areas of investigation.

Mr. CALDWELL. Well, they could, but they do not. It is very rare that you go from one function like audit and there are several different types of audit, which you have financial audit, operation audit, contract audit, financial audit I think I said. There is very little interchange between one function to another.

Mr. MCCLOSKEY. Again, could you define or elaborate on the reasons why you have no work to do? Is it a cyclical thing, or what is occurring?

Mr. CALDWELL. In years past, there was enough work. My Clauson touched on something this morning about we looked to do audits at all Post Offices. We don't do that anymore.

We used to do what we call service audits at the larger Post Offices. We don't do those anymore. At the beginning of each fiscal year, we used to get a schedule of what we were going to be doing that entire year, as far as audits were concerned.

You knew what you were going to be doing from back then. It was from June to June, it is not that way now. Our work to the division, the New York division, is assigned from the New York region, and so far our team has not really been given anything to do.

They are looking for something for us to do.

Mr. MCCLOSKEY. How many people are on your team?

Mr. CALDWELL. Five, and a team leader.

Mr. McCLOSKEY. And the average salary if $40,000, would you say?

Mr. CALDWELL. I would say that would be average, yes.

Mr. McCLOSKEY. There is in just one little office of the Postal Service $200,000 a year going down the tubes then?

Mr. CALDWELL. I am not saying that we don't work, sometimes we work long hours at times, and there are times when we don't have anything to do. Right now is one of the times we don't have anything to do to speak of.

Mr. McCLOSKEY. This is intriguing. How long are these times? What can we do about this? What are the people involved going to do? I think there is cause for concern for everybody. We are in a deficit crunch right now that could have been up to $500 million. We are obviously critically understaffed on the category threes, and I am sure there are other problems.

How are we going to break out of this?

Mr. CALDWELL. There is plenty of work that needs to be done in the Postal Service. In the audit function inspectors are more or less troubleshooters.

We go out and look at operations and try to determine what the problems are, make recommendations to management how to improve them. There is all kinds of problems in the Postal Service as you know that we could be doing, but we are not doing it, and we can't, an inspector, individual inspector has no control now over what he does.

He is strictly guided by his team leader, who assigns what work he is to do. The team leader is assigned work from the division or region.

Mr. McCLOSKEY. You are saying that generally speaking, you are substantially underutilized. Would you say you are in the 50-percent officially?

Mr. CALDWELL. No, it would not be that high.

Mr. McCLOSKEY. We will follow up. Thanks on that. This is one of the more interesting problems brought up in this hearing. Is there anything else you want to hit on?

Mr. CALDWELL. I was one of the people who did request a hardship exemption. The day, the second day after Career Path was explained, seven inspectors, I was then domiciled in Raleigh, NC, there were seven inspectors there, all seven of us signed a letter to the chief inspector at that time, pointing out what we thought was wrong with the Career Path policy, and asking him to either change it or do away with it, and one of the things that we pointed out to him was that there was hardship cases where people should not be moved, and this was, precedent had been set before where people had requested and been given hardship exemptions because of illnesses in the family, it was not unusual.

The chief inspector disagreed with our idea of Career Path naturally, but he did say that hardship exemptions would be judged on an individual basis.

In early February of 1981, I received notice that I was No. 5 on the Career Path policy for transfer. About a week or so later, I sent in a letter to the Chief inspector requesting a hardship exemption based on my daughter's health.

At that time, I submitted letters from her doctors and her teachers substantiating that claim. This was in February. I did not hear anything until April, and I got a call from my boss wanting me to send him a letter authorizing he or somebody in his staff to talk to my daughter's teachers and doctors, which I did.

About a month after that, on May 18 to be exact, because I was exactly 30 days from being exempt from the policy, I got a letter saying that my requested was denied, and that I was being transferred to New York.

I sent a letter to the Chief then, because some of the things he had in his letter were not true, and I pointed out things to him in his letter that were not true, asking him to reconsider, which he came back and told me he would not reconsider.

And so, I was transferred to New York. My personnel folder, my official personnel form 50, that we call it, shows that my transfer to New York was effective 34 days after I was exempt from the policy, but I am still in New York, and I will be until I retire probably, because unlike these two, I will be eligible to retire in June of next year, which is 8 months from today, and I will be mandatorily retired at 55.

I can't put in a request for transfer, because my 5 years will not be up until July of next year. I am eligible actually to retire before I can ask for a transfer out, but in the event that I don't transfer, I am stuck there, there is no recourse for me, I don't have like in Mr. Gholson's case, he has gotten years that he could—Mr. LaBlanc has longer, too, I don't have that luxury.

Mr. MCCLOSKEY. Had you ever experienced transfers before that were not exactly desirable but that you accepted because of the responsibilities of your profession?

Mr. CALDWELL. When I came in the Inspection Service, I realized very well that if I were asked to transfer somewhere in that division, that I was first assigned to, I would go, no question about it.

The transfers to these major metropolitan areas are not resented so much because you are transferred, but they are resented so strongly because when you have got there, you have found out you really weren't needed, that even though they—the rural areas are being taken out.

Mr. MCCLOSKEY. In effect, your life was torn up and your family and you were transferred to a place where you don't even have to work half the time?

Mr. CALDWELL. That is not quite half the time, but that is more than I have ever been before, yes; and as an audit inspector, I would travel all the time. When I was in Raleigh, NC, I went all over the United States on audits.

The last full year I was in Raleigh, NC, I was gone 130 nights from my home, because I was sent to Chicago, all kinds of places like that. So, they could have sent detail people to New York on a temporary basis to train people—this is one of the things that the Chief inspector said in a sworn affidavit in my case, that one of the main reasons we were sent there was because of our experience and expertise and to train new people.

I have not trained anyone, because I am one of the litigants also, and before that, I had gone to court even before I went to New York trying to get an injunction to keep me from going because of

my daughter's health, and once you get a reputation of a troublemaker, even though I am not a troublemaker, if you were and not doing your job, I assure you I wouldn't be here today, and I have no qualms about being here today, nobody is putting pressure on me at all, but it is a vicious circle.

Mr. McCLOSKEY. Can we change track for a moment or two and open up a discussion with the Postal inspectors? What are your suggestions regarding case priorities in the Service—in all due respect to Mr. Clauson. His written statement went on several pages making the point that priorities have to be made and in essence, as one of you gentleman indicated, the statement implication is that there were never any priorities before. No one is going to disagree with the fact that work has to be prioritized and listed and planned, but obviously, besides the importance of investigating different levels of crime, it makes you feel better to bust a bank robbery, a major assault, a murder, or whatever, than it does to retrieve two stolen social security checks for an 80-year-old widow, rural or urban.

What can we say about priorities, and how the Service should be functioning? Is it a question of just increased staffing or is there any possibility—I think Mr. Gholson alluded to it, that yes—these category threes are being totally ignored? Again, TV people don't come and say "five people were held up in south Chicago last night for their social security checks"; murder is big. What kind of battle for attention are we fighting there?

Mr. GHOLSON. I think we have always had priorities. Any experienced inspector knows what is urgent and what isn't. As Inspector Caldwell mentioned, you had the time limit for certain types of cases. The more important it was normally, the shorter the time you were given to complete the investigation.

That, in my opinion, is someone's priority. I don't think priority is a new area.

Mr. McCLOSKEY. I assume you didn't operate in total chaos every day before 1980. Someone had to be thinking about and analyzing case priorities.

Mr. GHOLSON. I have no objection to trying to focus our attention in specific areas. That is management's right, and perhaps they should be doing so, but not at the total expense of some areas, just to allegedly provide better service to the major metropolitan areas.

Mr. McCLOSKEY. Anyone else care to comment?

Mr. LEBLANC. I know for a fact, prior to my leaving Omaha, NE, we had as many as nine inspectors there at one time, and we are talking about experienced inspectors. I would agree with management that perhaps that an overload of experience in that area, you can look at that and you can say well, how are these nine people broken down?

If we have two or three of them for example that are in audit, like Inspector Caldwell said, who fly out of Omaha, and they are gone most of the year, traveling all over the country, then that is not basically three inspectors that are right there giving attention to Omaha, they are giving attention all over the country.

Right now, it has dropped down to they still have literally four positions. It is fluctuating between two and four student inspectors.

Mr. McCLOSKEY. We have had, would you say, an 85- or 90-percent cutback in the village of Omaha, NE?

Mr. LEBLANC. As of the first of this year, there were two inspectors, both students, two more students were supposed to have come in and the two students that have been there the longest under the new criteria would now be in a position to receive a level 21, and then within a year, qualify them to ask for one of the 13 major metropolitan areas.

So, consequently, to get two rapid promotions, putting them in the same level as we are, who have been there for years and years. Of course, they would be at the bottom of the level 23.

Mr. McCLOSKEY. By students, you mean initial entry people, like early 20's, perhaps just out of college or the Service or whatever?

Mr. LEBLANC. Agewise you are talking about?

Mr. McCLOSKEY. What kind of people are these students?

Mr. LEBLANC. Less than 4 years in, yes. So consequently, we have no experience there in Omaha.

Mr. McCLOSKEY. You say there has been at least an 80- to 90-percent cutback of Postal Inspection in Omaha, NE?

Mr. LEBLANC. Personnel, which is at least a 50-Percent cutback on personnel, and virtually 100 percent on experience. All we have are students there.

Mr. McCLOSKEY. What happened? Let's talk about category 2. What happens in Omaha, NE, when several checks are missing, thefts that are possibly connected? Is someone going to beat on that, or is that in reality going to be treated like a category 3?

Mr. LEBLANC. Well, the way it is treated in Omaha would be treated the same way any place else. However, I have not worked external crimes, I have been primarily involved in internal crimes.

I do know though where we have had cases in the past, because of this prioritization, where the inspector who worked external crimes would have numerous check losses right there in Omaha, but unless he could virtually identify that these 25 check losses were attributable to a gang of people, of five, six or more, then he wasn't spending any time on it.

How do you investigate 25 check losses, how do you know that they were taking by a gang unless you investigate them?

Mr. McCLOSKEY. How often are these cases picked up by local authorities, or police departments, or sheriff's offices with any kind of concern or efficiency?

Mr. LEBLANC. To my knowledge, they are not picked up by the local police. In fact, if people, customers, or the public goes to the police, they will say go to the Inspection Service. If they go to the Inspection Service, they will say—well—they may not tell the customers they can't investigate it, but rest assured they are not going to investigate them.

Mr. McCLOSKEY. Would you agree with Mr. Gholson that category threes are pretty much a no-no to even bother with?

Mr. LEBLANC. Well, I do to an extent. However, in having worked with internal crimes, you can make statistics work any way you want.

I will give you an example. I am transferred to New York because of my experience. I am put under a man that is less experi-

enced than me, but tells me when to jump and when to breathe, literally.

I get a case that is assigned to me, and it is a category 1, and it is for the loss of supposedly contents missing out of a registered package, valued at $7.95. I might be off a few pennies. We are talking about $7 to $8 range. That is a category 1.

Mr. McCLOSKEY Why is that a category 1?

Mr. LEBLANC. Well, the Postal Service goes under the theory that if there is merchandise missing out of a registered article, regardless of what the value is, you have a thief, so that is category 1.

Mr. McCLOSKEY. Don't you have a thief with these Treasury checks, in most cases?

Mr. LEBLANC. Well, we are talking about a postal thief being an internal crime. Now, by the same token, I could have a firm in St. Louis mail to a firm in New York, and there is absolutely no evidence of tampering with this package, you can see with the naked eye that it is virtually impossible for an employee to have gotten inside that.

The firm in St. Louis is alleging they had a million dollars worth of contents inside, even though the Postal Service may not insure that package, but for the maximum of $25,000.

Then they can take us to court for nonpayment of the claim, yet that would be a category 2. It wasn't until a couple of years ago, where a carrier could take 10,000 first-class letters containing checks in every one of them—we may not know they are checks—but there are checks in there, and he could just decide he didn't want to deliver that route that day and dump it all in the dumpster, have it carted away and burned up, and if you were to catch him that was category 2.

By the same token, if I prepared a letter myself and put 50 cents in it, put it before him, and then arrested him for taking it, that was a category 1.

Mr. McCLOSKEY. Thank you. I think we are getting just about to the concluding moments. Does anyone else have anything they want to bring up briefly in conclusion or some item of importance that hasn't been covered?

Ms. BELL. Yes, sir, if you don't mind. As was said, when you get a reputation for being a troublemaker, you also get an awful lot of calls from inspectors around the country, and their wives, which is what happened with me over the last 3 years. I will tell you that also, without giving names, I have had a number of inspectors in that last 3 years call and tell me about having lower line management on instructions from upper management tell them things like, "pull your category 3 cases from the U.S. attorneys," even though the U.S. attorneys were ready to prosecute. In one of the instances where they were told, "pull your cases," one inspector said he raised complaints about this, and said, "The U.S. attorney is ready to go to trial." He was told to tell the U.S. attorney he wouldn't testify.

I had another inspector tell me that an inspector-in-charge told him words to the effect that when people come in to report that their checks have been stolen, because this is low priority, don't respond, and sooner or later they will get the message and give up.

This is the kind of thing that is going on. One thing that troubles a lot of these men—these are good people and they have taken pride in their work and justifiably so in the past—they have told me, all over the country, many of them, that they sit around as I.M. pointed out, without work they are allowed to do. It is not the Field inspector's fault—this is the management-initiated policy.

They do not have work that they are allowed to do yet they have to charge off their hours to whatever investigative category they fall into, which makes them feel they are being dishonest for one thing.

It provides good statistics that management can come up and say we used *x* number of hours in external crimes or mail fraud or whatever. But the inspectors themselves often know that is not the case.

That causes morale problems. I will give you a specific example of a case that happened in Nashville. It came to light about a year and a half ago. There wa a man who was going around in a subdivision. He was seen on at least two occasions, on a couple of streets. He was carrying what some of the housewives who watched him steal their mail—he was carrying what appeared to be a rifle or shotgun.

One of the women stood at her window, watched him steal her mail, he looked up and saw here. She was afraid to talk to a reporter friend of mine on camera. She was afraid the man would recognize her and come back and hurt her.

Nothing was done about that case because that is low priority. That wasn't a gang or fencing operation and no proof that a minimum of five checks were stolen.

Field inspectors were not allowed to investigate it. The people who were complaining went to the local authorities and they said, "This is a Federal crime. We do not have jurisdiction. Go to the Postal Service."

The end result was that these people were having nothing done about their mail being stolen or this man going around with a gun. They finally wrote a letter, several of them did, to Senator Sasser.

That is the kind of stuff that is going on. On the other hand, you have with the hardship cases a situation which internally affects the moral problem. We have gone from a situation where prior to 1979, Inspection Service management went out of its way to help its inspectors and their families.

As has been said often, the inspectors were good to the Service, and the Service good to the inspectors. Since that time, not only in my case, because my case was a very typical case—I think that we were treated coldbloodedly and despite what Mr. Clauson said, the help that they gave us came only after the threat to go to Mr. Bolger.

They would not respond to any of my husband's suggestions for possible jobs. One of them included putting in for a level 24 in Washington. That would satisfy the major metropolitan requirement. It would not be a minimum separation of 5 years for us. No response to his putting in for the level 24. In our case, he moved down to Bessemer, I couldn't go down there because of the air quality, and we have been separated for over 2½ years.

I have just moved down there because we have run out of money. We don't have a choice now. This is typical of what has been done to a lot of people. I have got numerous letters, other hardship exemption requests from people where they are told—one inspector was moved three times in approximately 4 years.

It was pointed out to him—let's see his "third direct transfer in less than 4 years—and ninth transfer of his Inspection Service career"—he also has a bad situation with his mother's health, after an automobile accident, and the response from management to him was that, "the fact that he retained property was a personal decision" and that as far as his mother's situation that "this is a condition not unlike that of many other inspectors and is a condition we would all expect to experience sometime during our lives." And finally, he was told that to the extent that he had not chosen a major metropolitan area fulfilled his obligation, that "his present situation was of his own doing."

So when you have a combination of men not being allowed to do their work, and respond to the public and the public needs help, and then being treated the way that these people have been treated, it causes a lot of problems.

Mr. McCLOSKEY. Thank you.

Any of you gentlemen want to say anything in conclusion?

Mr. CALDWELL. I would like to thank you for inviting us here.

Mr. McCLOSKEY. I want to thank all four of you for being here today. I think it is a very courageous thing you are doing as obviously you are well along in your careers and you could be affected by describing your perceptions.

I am very concerned, Mr. Caldwell, about the statements regarding the workload in your office. It is out here in public now. I am personally going to follow up on that with the people responsible. Obviously, they haven't improved things on the Career Path, but there have been some other factors involved.

I appreciate your documenting that. You will hear from me as to my concerns in your specific areas and also my obvious concerns in regard to rural and smaller community priorities. So actually, as I said before, I think we are just beginning in this area, and sincerely want to thank you so much.

Ms. BELL. Thank you.

[Whereupon, at 12:15 p.m., the subcommittee was adjourned.]

[The following statement was received for the record:]

STATEMENT OF HONORABLE CLAUDE PEPPER
CHAIRMAN, SUBCOMMITTEE ON HEALTH AND LONG-TERM CARE
HOUSE SELECT COMMITTEE ON AGING
BEFORE THE SUBCOMMITTEE ON POSTAL PERSONNEL AND MODERNIZATION
COMMITTEE ON THE POST OFFICE AND CIVIL SERVICE
OCTOBER 17, 1985

Thank you very much, Mr. Chairman, for holding this hearing today and for allowing me to share with you details of the long and fruitful partnership between the Committee on Aging -- in particular the Subcommittee on Health and Long-Term Care, which I chair -- and the U.S. Postal Service's Postal Inspection Service.

Over the past ten years, the Aging Committee and its Subcommittee on Health and Long-Term Care has held some ten hearings and issued three reports concerning types of fraud commonly confronted by our Nation's growing population of elderly citizens. We repeatedly discovered and disclosed widespread practices which victimize the elderly: cruel, insensitive health care facilities; dangerous over-the-counter drugs; phony land investment schemes; quack medicines and other health frauds; bogus insurance schemes; pension scams; phony business opportunities; and other fraudulent schemes which rob our senior citizens not only of their savings but, in many cases, of their health.

While our Committee is pleased with efforts which have increased public awareness regarding frauds perpetrated against our elderly, too often our sense of accomplishment was marred by distressing indications that State, local and Federal law enforcement and regulatory agencies responsible for protecting the interests of our senior citizens were ineffective if not indifferent to all variety of scams directed against our older citizens. Often, I am sorry to say, our Committee received the most minimal cooperation from major Federal agencies which enjoy the budgets and the legal authority to make the lives of so many older people more secure, healthy and rewarding.

I am pleased, however, to report that a consistent and outstanding exception has been the Postal Inspection Service. Early in the course of our hearings I was surprised to learn of the aggressive and effective role this organization plays in combatting fraudulent and deceptive practices directed against the elderly. In fact, unlike so many other agencies, the Postal Inspection Service long has considered schemes perpetrated against the elderly to be one of their top priorities.

Let me give you an example. After a four-year review of quackery and its impact on the elderly, the Subcommittee on Health and Long-Term Care found that our citizens, and particularly our older citizens, are being victimized by a $25 billion a year quack medicine industry. Regrettably, we also learned that some of the blame for this shameful situation had to be assigned to poor performance by some of our Federal

agencies. However, we were gratified to learn of the outstanding job the Postal Inspection Service was doing in this area. Let me read to you two brief paragraphs from the Subcommittee's report, which will quickly give you a sense of our findings:

> Though armed with the fewest resources and the most restrictive legislative authority of the four Federal agencies involved in controlling quackery, the Postal Service seems to have the best record and the largest impact in recent years in controlling health frauds and quackery.
>
> The Postal Service is the only branch of government -- Federal, state or local -- that systematically reviews potentially-fraudulent health advertisements and products. It is the only agency which targets its resources and is proactively involved in preventing health frauds on a continuing basis, shows criminal convictions for quackery, and has been consistently proactively involved in preventing quackery on a continuing basis through the period of this review.[1]

Similar high marks were awarded the Inspection Service by the Aging Committee for their efforts other types of frauds directed at the elderly, from working against dangerous and ineffective over-the-counter drugs to, most recently, the Service's efforts to prosecute alleged doctors who, having obtained phony medical certificates, go out and purport to treat the illnesses of our elderly citizens.

I want to again thank the Postal Service for the considerable aid it has given our Committee in conducting its investigation. Notwithstanding their scarce resources, and their primary responsibility for protecting the Nation's mails as well as the physical and human resources of the United States Postal Service, they have shared our Committee's concerns and help us to reach our goals. For example, they have detailed to our Committee for extended periods a consumer protection attorney and two fraud inspectors. Using the training and experience of these professionals to guide our staff investigators, we were able to uncover some of the shameful practices we have disclosed.

I should also like to say that, after we recognized the

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[1]Subcommittee on Health and Long-Term Care, House Select Committee on Aging, Comm. Pub. No. 98-435, 98th Cong., 2d. Sess., pp. 174-175.

Inspections Service's lack of authority to deal fully with some of these fraudulent practices, we introduced bipartisan legislation to expand the Postal Service's authority to deal with mail order false advertising schemes. This was unanimously enacted as the Mail Order Consumer Protection Amendments of 1983. The enactment of this legislation was largely possible, I might add, because of the support of the Subcommittee's Chairman, the Honorable Frank McCloskey, its Full Committee Chairman Mr. Ford, and over 300 Members of the House of Representatives who supported empowering the Postal Inspection Service of the U.S. Postal Service with new investigatory authorities. You are to be commended for your foresight in this regard.

More needs to be done. We have recently introduced legislation to modernize the penalties under the mail fraud statute and to authorize the forfeiture of assets obtained illegally. Under this legislation, the crooks rather than the taxpayers would help pay the cost of investigating and prosecuting the perpetrators of fraudulent schemes.

Thank you again, Mr. Chairman, for the opportunity to commend the Postal Inspection Service for the job it is doing to protect our senior citizens. I would appreciate your including these remarks in the record of this hearing.

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